



## Poudre Valley Fire Protection District

102 Remington Street ♦ Fort Collins, CO 80524  
Phone: (970) 416-2837 ♦ Fax: (970) 416-2809

Board of Directors for the Poudre Valley Fire Protection District (District) is soliciting proposals from qualified firms to provide auditing services of the District's financial records and policies.

**Proposal submission via email is preferred. Proposals shall be submitted in Microsoft Word or PDF format and e-mailed to: [Patti.Forsythe@poudre-fire.org](mailto:Patti.Forsythe@poudre-fire.org).** If electing to submit hard copy proposals instead, seven (7) copies, will be received at the Poudre Valley Fire Protection District, 102 Remington Street, Fort Collins, Colorado 80524. **Proposals must be submitted no later than 3:00 p.m. Mountain Time, December 3, 2021. Proposals submitted after that time will not be considered.**

The District encourages all disadvantaged business enterprises, as defined by the US Small Business Administration, to submit proposals in response to all Requests for Proposals. Disadvantaged business enterprises will not be discriminated against on the grounds of race, color, national origin, sex (including pregnancy, sexual orientation, and gender identity) or religion for all proposals for negotiated agreements.

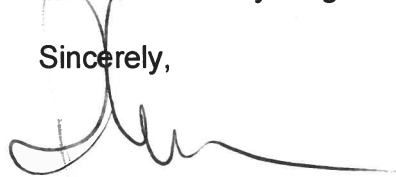
Questions concerning the scope of services, bid submittal, or process should be directed to Patti Forsythe, District Board Coordinator, (970) 416-2837.

Poudre Valley Fire Protection District is subject to the Colorado Open Records Act, Part 2, Article 72, Title 24, Colorado Revised Statutes, which permit access to most records and documents. Proprietary information in your response must be clearly identified and will be protected to the extent legally permissible. Proposals may not be marked 'Proprietary' in their entirety. Information considered proprietary is limited to material treated as confidential in the normal conduct of business, trade secrets, discount information, and individual product or service pricing. Summary price information may not be designated as proprietary as such information may be carried forward into other public documents. All provisions of any contract resulting from this request for proposal will be public information.

Conflict of Interest. The District's award of a contract is subject to all provision of the Code of Ethics and Proscribed Acts related to Contracts and Claims set forth in Parts 1 and 2, Article 18, Title 1, Colorado Revised Statutes. Among other prohibited acts, a member of the District Board of Directors, an officer or employee of the District shall not perform an official act directly or substantially affecting to its economic benefit, a business or other undertaking in which he or she either has a substantial finical interest or is engaged as counsel, consultant, representative, or agent. Nor shall such persons be interested in any contract made in his or her official capacity or by the District. A conflict of interest does not arise if the Board Member, officer or employee owns a minority interest in a corporation contracting with the District or if a Director has disclosed a personal interest and not voted on the award of the contract. Board Members, officers and employees shall not accept gifts of substantial value which would tend to improperly influence a reasonable person in his or her pubic position to depart for the faithful and impartial discharge of his or her public duties or which he or she knows or which a reasonable person in his or her position should know under the circumstances is primarily for the propose of rewarding him or her for an official act he or she has taken. Collusive or sham proposals: Any proposal deemed to be collusive, or a sham proposal will be rejected. Your authorized signature of this proposal assures that such proposal is genuine and is not a collusive or sham proposal.

Poudre Valley Fire Protection District reserves the right to reject any and all proposals and to waive any irregularities or informalities.

Sincerely,

A handwritten signature in black ink, appearing to read 'Patti Forsythe', with a long, sweeping underline.

Patti Forsythe, Board Coordinator

# **REQUEST FOR PROPOSALS AUDITING SERVICES**

## **SECTION 1 – GENERAL SCOPE OF SERVICES**

### **A. Scope of Services to be Performed**

1. Poudre Valley Fire Protection District desires the auditor to perform an audit of the District's 2021, 2022, and 2023 financial statements in compliance with the Colorado Local Government Audit Law, Part 6, Article 1, Title 29, Colorado Revised Statutes. To the extent any of the requirements of this Scope of Services conflict with the Colorado Local Government Audit Law, the requirements of the Colorado Local Government Audit Law shall apply.
2. The auditor shall express an opinion on the fair presentation of its governmental activities, its business-type activities, its aggregate discretely presented component units, its major fund, and its aggregate remaining fund information in conformity with generally accepted accounting principles.
3. PVFPD also desires the auditor to express an opinion on the fair presentation of its individual fund financial statement and schedules in conformity with generally accepted accounting principles
4. The auditor shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.
5. The auditor is not required to audit the schedule of expenditures of federal awards. However, the auditor is to provide an "in-relation-to" report on that schedule based on the auditing procedures applied during the audit of the financial statements.

### **B. Auditing Standards to Be Followed**

To meet the requirements of this request for proposals, the audit shall be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, the standards for financial audits set forth in the U.S. Government Accountability Office's Government Auditing Standards (1994), the provisions of the Single Audit Act of 1984 (as amended in 1996) and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

## C. Reports to be Issued

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue:

1. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles, including an opinion on the fair presentation of the supplementary schedule of expenditures of federal awards in relation to the audited financial statements.
2. A report on compliance and internal control over financial reporting based on an audit of the financial statements. A report on compliance and internal control over compliance applicable to each major federal program.

In the required report[s] on compliance and internal controls, the auditor shall communicate any significant deficiency or material weakness found during the audit. A significant deficiency shall be defined as a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected. A material weakness shall be defined as a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected. Significant deficiencies that are also material weaknesses shall be identified as such in the report.

Control deficiencies discovered by the auditors that are neither significant deficiencies nor material weaknesses shall be reported in a separate letter to management, which shall be referred to in the report[s] on compliance and internal controls. A control deficiency shall be deemed to have occurred whenever the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

The report on compliance and internal controls shall include all material instances of noncompliance. All nonmaterial instances of noncompliance shall be reported in a separate management letter, which shall be referred to in the report on compliance and internal controls.

3. Irregularities and illegal acts. Auditors shall be required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to each of the following parties:

- Board of Directors of Poudre Valley Fire Protection District

- PVFPD Fire Chief
- PVFPD District Coordinator

4. Reporting to the PVFPD Board of Directors. Auditors shall assure themselves that the Board of Directors is informed of each of the following:

- The auditor's responsibility under generally accepted auditing standards
- Significant accounting policies
- Management judgments and accounting estimates
- Significant audit adjustments
- Auditor's judgments about the quality of the entity's accounting principles
- Other information in documents containing audited financial statements
- Disagreements with management
- Management consultation with other accountants
- Major issues discussed with management prior to retention
- Difficulties encountered in performing the audit

#### **D. Special Considerations**

The District has a volunteer firefighter pension plan that is administered through the Colorado Fire and Police Pension Association (FPPA). The Poudre Valley Fire Protection District Volunteer Firefighters' Pension Plan (the Plan) was established pursuant by the authority of Title 31, Article 30, Section 1100 of the Colorado Revised Statutes and is governed by the Poudre Valley Fire Protection District Volunteer Firefighters Pension Fund Board of Trustees. Effective April 1, 1998, the Plan was affiliated with the FPPA whereby FPPA administers the Plan and manages investments of the Plan. The pension plan is a defined benefit plan. The FPPA administers the Plan and manages the Plan funds for investment. FPPA contracts for actuarial studies to be performed every two years with the most recent study being completed as of January 1, 2021. The Plan is reported as required supplementary information to the audit.

#### **E . Working Paper Retention and Access to Working Papers**

All working papers and reports must be retained, at the auditor's expense, for a minimum of three (3) years, unless the firm is notified in writing by the PVFPD by the Board of Directors, the Fire Chief, or the District Coordinator of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties or their designees:

1. PVFPD
2. State of Colorado
3. U.S. Government Accountability Office (GAO)

4. Parties designated by the federal or state governments or by the PVFPD as part of an audit quality review process
5. In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

## **SECTION 2 – SCOPE OF WORK**

### **A. Scope of Work to be Performed**

1. PVFPD desires the auditor to express an opinion on the fair presentation of its financial statements in conformity with accounting principles generally accepted in the United States.
2. The financial statement audit shall be performed in accordance with generally accepted auditing standards as promulgated by the American Institute of Certified Public Accountants and applicable state and federal regulations. The single audit of the District's schedule of expenditures of federal awards is to be performed in accordance with generally accepted auditing standards established by the American Institute of Certified Public Accountants' Auditing Standards Board, the standards set forth in the U.S. General Accounting Office (GAO) "Government Auditing Standards", the provisions of the federal Single Audit Act, and the U.S. Office of Management and Budget (OMB) "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" (Uniform Guidance). The selected firm will also be required to obtain information required for completing the Data Collection Form for Reporting on Audits of States, Local Governments and Non-profit Organizations, including completion of the applicable data elements of the data collection form and signoff.

### **B. Reporting Requirements**

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue:

1. A report of examination of the financial statements stating the scope of the examination and that the audit was performed in accordance with generally accepted auditing standards. It must include an opinion as to whether the statements conform to accounting principles generally accepted in the United States.
2. A letter to management containing comments on compliance, recommendations for improvements, and any other comments deemed pertinent by the auditors and recommendations affecting the financial

statements, internal control, accounting, accounting systems, legality of actions, other instances of noncompliance with laws and regulations, and any other material matters. An agreed upon number of copies of the management letter will be provided to the District, in addition to an electronic copy.

3. A report on internal control over financial reporting and on compliance and other matters, based on an audit of financial statements performed in accordance with government auditing standards. An agreed upon number of copies of the Single Audit report will be provided to the District, in addition to an electronic copy.

4. A report on compliance with requirements applicable to each major program and internal control over compliance in accordance with the OMB Uniform Guidance. The report on compliance and internal controls shall include all material instances of noncompliance. All nonmaterial instances of noncompliance shall be reported in a separate management letter, which shall be referred to in the report on compliance and internal controls.

5. Schedule of findings and questioned costs, and summary schedule of prior audit findings and the status of each, if applicable.

### **C. Background**

Poudre Valley Fire Protection District is a special district under Colorado law. The District is governed by a five-member, elected Board of Directors which meets 10-12 times per year. The District is designated as the provider of fire services to areas within its boundaries, located in portions of Larimer and Weld County, CO. To provide such services, beginning in 1981, the District partnered with the City of Fort Collins, CO, to establish the Poudre Fire Authority to provide fire and rescue services within their combined boundaries. The Authority (PFA) was established as a quasi-governmental entity under Colorado law.

The District and the City of Fort Collins have an Intergovernmental Agreement (IGA) which established the PFA and sets agreements about the funding contributions of the two entities. The District is funded through a mill levy of 10.639 mills on properties within the District. 2020 revenues from the mill levy totaled \$7.9 million. As a part of the PFA IGA, the District appropriates and transfers the majority of its annual revenue to the PFA for operation of the Fire Authority on a quarterly basis.

The District has no paid employees and is administered through the PVFPD Board of Directors, the Poudre Valley Fire Protection District Fire Chief and the District Coordinator. The District Coordinator maintains financial records and the annual budget for the District. Financial transactions are co-signed by the PVFPD

Fire Chief, the PVFPD President, the PVFPD Treasurer or PFA Director of Administrative Services. Two signatures are required on checks/withdrawals. The District Coordinator is not an authorized user of the District's financial accounts.

The Districts financial records are maintained by the District Coordinator in Excel spreadsheets and QuickBooks. Financial records are reviewed and approved monthly by the PVFPD Board Treasurer and presented quarterly to the PVFPD Board.

## **SECTION 3—CONTENT OF PROPOSALS**

### **A. Summary of Qualifications**

#### **1. Independence**

The firm should provide an affirmative statement that it is independent of the PVFPD as defined by applicable standards. In addition, the firm shall give the District written notice of any professional relationships entered into during the period of their engagement.

#### **2. License to Practice in Colorado**

An affirmative statement should be included that the firm and all assigned key professional staff are properly licensed to practice in Colorado.

#### **3. Firm Qualifications and Experience**

The firm should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and the nature of professional staff to be employed on this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis.

The firm is required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements.

The firm shall provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years.

The firm shall provide proof of workers' compensation insurance as well as proof of professional liability (errors & omissions) insurance of at least one million dollars of coverage.

In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations.

**B. Partner, Supervisory and Staff Qualifications and Experience**

Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement.

Audit personnel may be changed at the discretion of the firm, provided that replacements have substantially the same or better qualifications or experience.

**C. Prior Engagements with the District**

List separately all engagements within the last five years with the District, ranked on the basis of total staff hours and type of engagement (audit, management advisory services, etc). Indicate the scope of work, date, engagement partners, total hours, office location for specific engagement, and the name and telephone number of the principal client contact.

**D. Similar Engagements with Other Government Entities**

List all engagements performed in the last five years that are similar to the engagement described in this request for proposal, based on the office that will be directly responsible for this project. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

**E. Specific Audit Approach**

The proposal shall include a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section 2.0 of this request for proposal. In developing the work plan, reference should be made to such sources of information as the District's budget and related materials.

**F. Cost Terms**

Costs for the standard financial audit should be separate from the cost of the single audit (if needed) and should also include the total all-inclusive maximum price for each engagement for the years 2021, 2022, and 2023.

**G. Other Information**

The proposal may include other information, such as services or capabilities not identified in this RFP, which would qualify the Consultant or contribute to the District's objectives.

#### **H. Exceptions**

If any of the requirements in this section are omitted, explain the reason for the exception.

#### **I. Submission of Proposals**

The forgoing material is required to be received by December 3, 2021 by 3:00 PM for a proposing firm to be considered.