



KENNEBEC VALLEY COUNCIL OF GOVERNMENTS

Request for Proposal Financial Audit

The Kennebec Valley Council of Governments invites qualified independent certified public accounting firms to submit proposals for auditing and related services for a five (5) year period, beginning with the fiscal year ending June 30, 2025.

These audits are to be performed in accordance with generally accepted auditing standards, the laws of the State of Maine, and the standards set forth for financial audits in the U.S. General Accounting Office's (GAO) Government Auditing Standards as amended; the provisions of the U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments and Non-profit Organizations; and the Maine Uniform Accounting and Auditing Practices for Community Agencies (MAAP) if applicable in any given year.

The proposals are to cover audits of five fiscal years as follows:

- 1) July 1, 2024 to June 30, 2025
- 2) July 1, 2025 to June 30, 2026
- 3) July 1, 2026 to June 30, 2027
- 4) July 1, 2027 to June 30, 2028
- 5) July 1, 2028 to June 30, 2029

A. GENERAL INFORMATION

The Kennebec Valley Council of Governments (KVCOG) is a voluntary association of towns and cities within Kennebec, Somerset and western Waldo counties. Its resources consist of Federal grants, state grants, contract services, and local contributions. Although it is organized as a non-profit corporation under section 501(c)(3) of the Internal Revenue Code (and therefore is exempt from federal income tax) it follows governmental accounting and reporting standards. The principle divisions of the agency, all of which will be subject to this audit, include Economic Development and Planning, with a total budget of approximately \$1,200,000.

The most recent completed audit of KVCOG was performed in 2023/24 for the period July 1, 2023 to June 30, 2024. A copy of the auditor's report has been included in the Request for Proposal.

The accounts of KVCOG are maintained in accordance with the principles of fund accounting. The fund groups consist of unrestricted operating funds (unrestricted net assets) and restricted operating funds (restricted net assets). The unrestricted operating funds represent the portion of expendable funds available for support of operations. Funds restricted by a grantor, or contractual agreement with an outside party for particular operating purposes are deemed to be earned and reported as revenue when the organization has incurred expenditures in compliance with the specific restrictions. Such funds received but not earned are reported as deferred amounts.

There is no expressed or implied obligation for KVCOG to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

To be considered, one (1) electronic and six (6) hard copies of a proposal, must be received by Joel Greenwood, Executive Director at KVCOG, 17 Main Street, Fairfield, Maine 04937 (jgreenwood@kvkog.org) by 12:00 noon on July 18th, 2025. KVCOG reserves the right to reject any or all proposals submitted. Proposals submitted will be evaluated by KVCOG's Executive Committee (a subcommittee of KVCOG's Board of Directors) as well as KVCOG's Executive Director.

During the evaluation process, the Executive Committee and KVCOG reserve the right, where it may serve KVCOG's best interest, to request additional information or clarifications from proposers, or allow corrections of errors or omissions. At the discretion of KVCOG or the Executive Committee, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

KVCOG reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposals, and confirmed in the contract between KVCOG and the firm selected.

It is anticipated the selection of a firm will be completed by August 22nd, 2025.

B. AUDIT STANDARDS

To meet the requirements of this Request for Proposal, 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. General Accounting Office's Government Auditing Standards as amended, the provisions of the U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-profit Organizations, and the Maine Uniform Accounting and Auditing Practices for Community Agencies (MAAP) if applicable in any given year.

C. AUDIT SCOPE

The audit firm shall be engaged to conduct an examination of the financial statements, accounts, records and procedures of all divisions and funds of KVCOG. A Single Audit conducted in accordance with OMB Circular A-133 is required for all federally assisted programs.

Indicate in your proposal if you agree to meet or exceed the following auditing specifications. Explain any exceptions you have regarding them.

- 1) The firm shall perform a financial and compliance audit of all funds reported in KVCOG's financial reports. The audit shall be conducted to satisfy the requirements of the State of Maine Department of Audit.
- 2) The firm shall prepare and examine KVCOG's financial statements, conducted in accordance with generally accepted auditing standards for the purpose of providing an opinion on those statements and their compliance with generally accepted accounting principles applied on a consistent basis.

- 3) In connection with the examination of the records and financial statements, the firm shall review the system of internal control, operating procedures and compliance with budgetary and legal requirements by KVCOG.

The review of internal controls must include an annual review of related processing departments. This review should include but not be limited to the areas of physical security, systems and program documentation, and input/output controls.

- 4) The firm shall perform a financial and compliance audit in accordance with OMB Circular A-133 for all federally assisted programs.
- 5) KVCOG views its engagement of an audit firm as an ongoing professional relationship in which the firm services during the course of a year. As such, the firm is expected to consult as required on auditing, accounting, and financial reporting and operating questions which arise during the course of a year.
- 6) The firm shall agree to make its working papers available upon request, to meet any KVCOG financial need as well as in accordance with any federal and state grant provisions. Working papers will be kept for three years from submission of the final audit report.
- 7) The firm shall agree to an entry conference to review the audit program with KVCOG's Executive Director and/or KVCOG Board of Directors.
- 8) The person in charge of the audit shall be available to attend KVCOG Executive Committee and Board of Directors' meetings.

D. AUDIT SCOPE AND REPORT SCHEDULES

Indicate in your proposal if you agree to meet the following audit report schedules. Explain any exceptions you have regarding them.

- 1) The firm shall conduct the audits covering operations of KVCOG and of federally assisted programs during the following periods:
 - a. July 1, 2024 to June 30, 2025
 - b. July 1, 2025 to June 30, 2026
 - c. July 1, 2026 to June 30, 2027
 - d. July 1, 2027 to June 30, 2028
 - e. July 1, 2028 to June 30, 2029

The firm shall submit an Independent Auditor's Report containing an expression of opinion that financial statements are fairly stated or, if a qualified or adverse opinion or disclaimer of opinion is necessary, the reasons therefore. The firm shall submit 15 copies and an electronic version of KVCOG's financial statements no later than November 30th of each year.

- 2) The firm shall submit a written report on internal accounting control weakness, if any, and a letter of reportable conditions which shall identify observed effects and propose initial steps to eliminate them. A post-audit conference with KVCOG's Executive Director and Financial Director will be held no later than October 30th of each year to review the rough draft of the financial reports, compliance reports, and the report of comments and recommendations. The firm shall submit 15 copies of Reports Required by Government Auditing Standards and OMB Circular A-133, the Single Audit Act and 10 copies of the Maine Uniform Accounting and Auditing Practices for Community Agencies, no later than November 30th of each year.

E. ADDITIONAL SERVICES

- 1) The firm is expected to provide KVCOG with information on current developments and professional pronouncements, which could affect its financial operations and management.
- 2) KVCOG may also require consultation on a variety of auditing, financial reporting, accounting, and payroll-related issues which arise during the year.
- 3) The firm shall file the Municipal Audit Procedural Form and a copy of the auditor's report with the State Department of Audit within thirty (30) days after completion of the audit.
- 4) The firm shall also assist in and with the implementation of any new GASB Statement. Hence, the firm is expected to have a complete and thorough working and implementation knowledge of existing and new GASB Statements.
- 5) The firm shall prepare the electronic Federal clearinghouse form SF-SAC for certification as applicable by KVCOG officers.
- 6) The firm shall prepare the organizations 990 form.

F. QUALIFICATIONS OF THE FIRM

The firm must include a summary of its qualifications to perform an audit of a quasi-governmental entity (non-profit). The proposal shall include at minimum:

- 1) A description of your firm and its relevant prior experience.
- 2) A list of recent local governments or non-profit agency audits performed and three references which shall be non-profit or local government officials.
- 3) Names of the partner(s) and manager(s) to be assigned to the engagement and a summary of their qualifications.
- 4) A description of firm's experience with indirect cost plans.
- 5) A description of firm's experience working with grantor agencies if substantial funding is received from particular agencies.
- 6) A description of firm's experience with GMS Accounting and RLSS Software.
- 7) A description of experience with revolving loan funds.

G. TECHNICAL APPROACH

- 1) General Requirements - The purpose of the technical approach is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of KVCOG in conformity with the requirements of this request for proposals. As such, the substance of proposals will carry more weight than their form or manner of presentation. The technical proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for proposals requirement.
- 2) The technical proposal should address all the points outlined in the request for proposals (excluding any cost information which should be included on the enclosed cost sheet). The proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposals. While additional data may be presented, the following subjects, item Nos. 3 through 10 must be included. They represent some of the criteria against which the proposal will be evaluated.
- 3) Independence - The firm should provide an affirmative statement that it is independent of KVCOG as defined by generally accepted auditing standards/the GAO's Governmental Auditing Standards.
- 4) License to Practice in Maine - An affirmative statement should be included indicating that the firm and all assigned key professional staff are properly licensed to practice in Maine.
- 5) Firm Qualifications and Experience - The proposal should state the size of the firm, the size of the firm's governmental/non-profit staff, the location of the office from which the work on this engagement is to be performed, the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis. Include in this section all items addressed under Section F - Qualifications of the Firm.

If the proposer is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium should be separately identified and the firm that is to serve as the principle auditor should be noted, if applicable.

The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement whether that peer review included a review of specific non-profit or governmental engagements.

The firm shall also provide information on the results of all federal and state desk reviews or field reviews of its audits during the past three (3) years. 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 the state regulatory bodies or professional organizations.

- 6) Partner, Supervisory and Staff Qualifications and Experience - The firm should identify the principle supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement and indicate whether each such person is licensed to practice as a certified public accountant in Maine. The firm also should provide information on the non-profit and governmental auditing experience of each person, including information on relevant continuing professional education for the past

three (3) years and membership in professional organizations relevant to the performance of this audit.

The firm should provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. The firm also should indicate how the quality of staff over the term of the agreement will be assured.

The proposer should identify the extent to which staff to be assigned to the audit reflect KVCOG's commitment to Affirmative Action.

Engagement partners, managers, other supervisory staff and specialists may be changed if these personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior permission of KVCOG. However, in either case, KVCOG retains the right to approve or reject replacements.

Consultants and firm specialists mentioned in response to this request for proposals can only be changed with the express prior permission of KVCOG which retains the right to approve or reject replacements.

Other audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications or experience.

- 7) Consulting Services and Technical Assistance - The firm should list separately applicable experience within the last five years, relating to Federal and State funding, indirect cost proposals, revolving loan funds, management advisory services and other related areas of technical assistance which an agency such as KVCOG might require.
- 8) Similar Engagements with Other Non-Profits - For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum of 5) performed in the last five years that are similar to the engagement described in this request for proposals. 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 principle client contact. Indicate also your permission to contact these references.

- 9) Specific Audit Approach - The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in this request for proposals. In developing the work plan, reference should be made to such sources of information as KVCOG's budget and related materials, organizational charts, manuals and programs, and financial and other management information systems.

Proposers will be required to provide the following information on their audit approach:

- a. Proposed segmentation of the engagement.
- b. Level of staff and number of hours to be assigned to each proposed segment of the engagement.

NO DOLLARS SHOULD BE INCLUDED IN THE TECHNICAL PROPOSAL

- c. Sample sizes and the extent to which statistical sampling is to be used in the engagement.

- d. Extent of use of EDP software in the engagement.
- e. Type and extent of analytical procedures to be used in the engagement.
- f. Approach to be taken to gain and document an understanding of KVCOG's internal control structure.
- g. Approach to be taken in determining laws and regulations that will be subject to audit test work.
- h. Approach to be taken in drawing audit samples for purposes of test of compliance.
- i. Identification of Anticipated Potential Audit Problems - The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from KVCOG.

H. SUBMISSION OF PROPOSALS

The following material is required to be received by July 18th, 2025 for a proposing firm to be considered:

A master copy (so marked) of proposal and six (6) copies, as well as an electronic copy to include the following:

- a. Title Page - Title page showing the request for proposals' subject; the firm's name; the name, address and telephone number of a contact person and the date of the proposal.
- b. Table of Contents
- c. Transmittal Letter - A signed letter of transmittal briefly stating the proposer's understanding of the work within the time period, a statement why the firm believes itself to be best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for July 1, 2024 through June 30, 2025.
- d. Detailed Proposal - The detailed proposal should follow the order set forth in Section G. of this request for proposals.
- e. References – The finished proposal package should include at least one but not more than three references.
- f. Completed cost sheet which is included in the Request for Proposals.

I. EVALUATION PROCESS

Proposals submitted will be evaluated by the Executive Committee and KVCOG's Executive Director. The evaluation of proposals will include the following criteria, listed in random order:

- 1) Recognition of KVCOG's proposal requirements/completeness of response
- 2) Experience and expertise of proposed staff

- 3) Prior experience in performing municipal and non-profit audits with references
- 4) Ability to meet deadlines
- 5) Completeness of work plan and procedures/audit approach
- 6) Adequacy of time budgets
- 7) Cost
- 8) Oral presentation (if necessary)

Price will not be the sole determinant in the selection process. KVCOG wishes to select an auditing firm than can best demonstrate the capability to provide the desired services, both currently and in the future, with quality and innovation at a competitive price.

As part of the review and evaluation process, KVCOG may, at its discretion request any or all bid submission agencies to make oral presentations to the Board of Directors on the morning of Tuesday August 18th 2025. Such presentations will provide the submitting agency with an opportunity to answer questions regarding a proposal. Not all firms may be requested to make oral presentations.

J. ASSISTANCE BY KVCOG

KVCOG's Executive Director and Financial Director shall render all feasible assistance to the audit firm and shall respond promptly to the requests for information, provide all necessary books and records, and provide physical facilities required by the firm for the expeditious conduct of the engagement. At a minimum, the following statements and schedules will be made available for the auditor:

- 1) General Ledger Detail
- 2) Balance Sheet
- 3) Trial Balances by fund
- 4) Report of revenues & expenditures by fund and department
- 5) Reconciliations for each deposit account
- 6) Reconciliations and detail for each balance sheet account
- 7) Schedule of accounts receivable (Detailed list of current assets and fixed assets and depreciation schedule).
- 8) Schedule of accounts payable
- 9) Detail of accrued liabilities
- 10) Schedule of accrued payroll and compensated absences
- 11) Detailed information on Revolving Loan Funds

KVCOG shall have adjusted or closed all accounts and shall have them available for examination 60 days after the end of the fiscal year.

KVCOG will also make its records and other financial documents available prior to the end of the fiscal year so that the firm may begin its preliminary work well before the close of the fiscal year in order to complete its report on a timely basis.

K. COMPENSATION

Your proposal must include the maximum total your firm will charge KVCOG for each year of this proposal. In addition, the cost associated with the single audit of KVCOG's revolving loan programs (RLF) must be broken out. KVCOG currently has four revolving loan funding sources which are considered a major program each year. This requirement is for budgeting and expenditure distribution purposes only. The total five-year fee is the cost that will be used for evaluation purposes.

The final payment for any audit shall become due only after the submission of all reports required and their acceptance by the Board of Directors and/or Federal and State grantor agencies.

Should the firm encounter circumstances requiring an increase in the extent of detailed investigation or should KVCOG require an increase in the scope of the audit, written notice to that effect must be modified by mutual agreement of both parties as to the additional work and compensation.

L. TERMINATION OF AUDIT

If the audit fails to substantially comply with the specifications contained in the request for proposals, then KVCOG reserves the right to terminate the engagement after completion of any audit year upon written notice to the firm.

M. CONTRACT EXTENSION

KVCOG reserves the right to negotiate a two year extension at a fee to be negotiated at a later time which will be agreeable to both parties.

N. FURTHER INFORMATION

Any inquiries concerning this request for proposal should be directed to Joel Greenwood, Executive Director, KVCOG, 17 Main Street, Fairfield, Maine 04937, telephone (207) 453-4258 ext. 213, email: jgreenwood@kvkog.org.

**PROPOSAL FOR FINANCIAL AUDIT
KENNEBEC VALLEY COUNCIL OF GOVERNMENTS**

Joel Greenwood, Executive Director
Kennebec Valley Council of Governments
17 Main Street
Fairfield, Maine 04937
jgreenwood@kvcog.org

The undersigned proposes to provide KVCOG with an independent audit of its financial accounts and records as outlined in the accompanying specifications and that I will accept in full payment therefore, the following sum:

	GRAND TOTAL	RLF Single Audit
July 1, 2024 to June 30, 2025		
July 1, 2025 to June 30, 2026		
July 1, 2026 to June 30, 2027		
July 1, 2027 to June 30, 2028		
July 1, 2028 to June 30, 2029		
Total Five Year Cost:		

DATE: _____

FIRM: _____

SIGNED BY: _____

TITLE: _____

ADDRESS: _____

TELEPHONE: _____

E-MAIL: _____