

A PROPOSAL TO PROVIDE PROFESSIONAL SERVICES TO THE:

# City of Missoula



**ANDERSON ZURMUEHLEN & CO., P.C.**

Jan Schweitzer, CPA, CFE, Shareholder

[jschweitzer@azworld.com](mailto:jschweitzer@azworld.com) | 406.721.7800

1821 South Avenue West, 5th Floor | Missoula, MT 59801

**MAY 28, 2021**

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ANDERSON ZURMUEHLEN & CO., P.C.  
1821 South Avenue West, 5<sup>th</sup> Floor | Missoula, MT 59801  
406.721.7800 | www.azworld.com

Leigh Griffing, Finance Director  
**City of Missoula**  
435 Ryman Street  
Missoula, MT 59802

Dear Ms. Griffing and Members of the Audit Committee:

We thank you for the opportunity to present our proposal to provide professional auditing services to the City of Missoula (“the City”) and to specify our qualifications.

**WE UNDERSTAND YOUR NEEDS TO BE AS FOLLOWS:**

- **Financial Statement Audits and Single Audit for the fiscal year ending June 30, 2021, with the option of auditing the financial statements for the four subsequent fiscal years.**
  - These will be conducted in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States. The audits will include audits over the City of Missoula’s financial and accounting systems and procedures, with separate audit reports being issued for the Missoula Redevelopment Agency and Missoula Parking Commission.
- **Report on the fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, including an “in relation to” opinion on the fair presentation of supplementary information in relation to the basic financial statements as a whole.**
- **Report on compliance and internal control over financial reporting and on compliance and other matters based on an audit of the financial statements in accordance with *Government Auditing Standards*.**
- **Report on compliance and internal control on compliance for each major program and on internal control over compliance required by the Uniform Guidance.**
- **Management letter and/or communication of reportable findings.**
  - We will communicate in writing reportable conditions found during the audit, as well as comments on accounting, operational or administrative matters, including management’s responses. All of these observations will be discussed with your personnel prior to issuing our final reports.
- **Report to the City’s audit committee regarding required items outlined by the standards referenced above.**

**CUSTOMIZED SERVICE**

Our culture is rooted in our vision of improving the lives of those we work with: our clients, our co-workers, and our communities. Our clients experience our culture through a service approach characterized by extensive involvement of senior professionals, direct access to technical expertise and proactive communication delivered through a dedicated client service team.

## **DISTINCTLY QUALIFIED**

We believe Anderson ZurMuehlen is best qualified to preform the engagement as local governments, including cities, are an area of specialization for our firm, and we have devoted significant resources to enhancing our skills in this unique sector. We offer a comprehensive suite of integrated audit, compliance, and consulting services to a full range of public sector clients including cities, school districts, housing authorities, counties, airport authorities, and more. Currently, our firm conducts approximately 20 local government entity audits annually while serving numerous other local government entities in various capacities.

Our team is widely recognized across Montana for its deep understanding of governmental financial reporting and auditing and our experience illustrates our dedication to the public sector. Anderson ZurMuehlen is active in our local government communities, providing speakers and training for conferences across the state of Montana and the country, as well as specific governmental accounting and audit training for various departments of the State of Montana. In addition, we provide our professionals with continuing education specific to the government sector through national courses and specialized resources.

## **COMMITMENT TO TIMELINE**

Shortly after we are reappointed as your auditors, we will hold an entrance conference with key personnel to discuss engagement planning and scheduling. A management exit conference will be held at the conclusion of fieldwork for the purpose of summarizing the results of the audit and to review significant findings. We will provide all recommendations and auditor's reports to management to ensure our understanding and conclusions are appropriate. We are committed to meeting the timeline as set forth in the City's request of proposal.

## **WE WANT TO CONTINUE TO WORK WITH YOU**

The accompanying description of our capabilities outlines our understanding of the areas of specific interest to you and how Anderson ZurMuehlen will meet your service needs. We are pleased to furnish any additional information upon request.

The accompanying proposal is a firm and irrevocable offer for the next 90 days and we are in full agreement with the conditions and requirements of the RFP.

We sincerely thank you for the opportunity to present our proposal to provide professional auditing services, and we look forward to a continued business relationship with the City of Missoula.

Sincerely,  
**Anderson ZurMuehlen & Co., P.C.**



**Jan Schweitzer, CPA, CFE**  
Shareholder

# General Requirements



# Independence Standards

Independence is something we take very seriously, and it is a driving force behind our firm's Quality Control procedures. Each new attest client is subjected to a rigorous independence investigation. In addition, a questionnaire is sent annually to all Anderson ZurMuehlen staff regarding relationships they may have with attest clients. The responses to these questionnaires are summarized by our Attest Quality Control shareholder. It is her responsibility to determine if we have any conflicts of interest that may call our independence into question. Our Attest Quality Control shareholder's report is submitted to the CEO of our firm, and any issues are resolved either through resignation from the engagement or other appropriate means. For each attest engagement we conduct, we assess our independence annually, identifying potentials risks that may affect our independence in both fact and appearance.

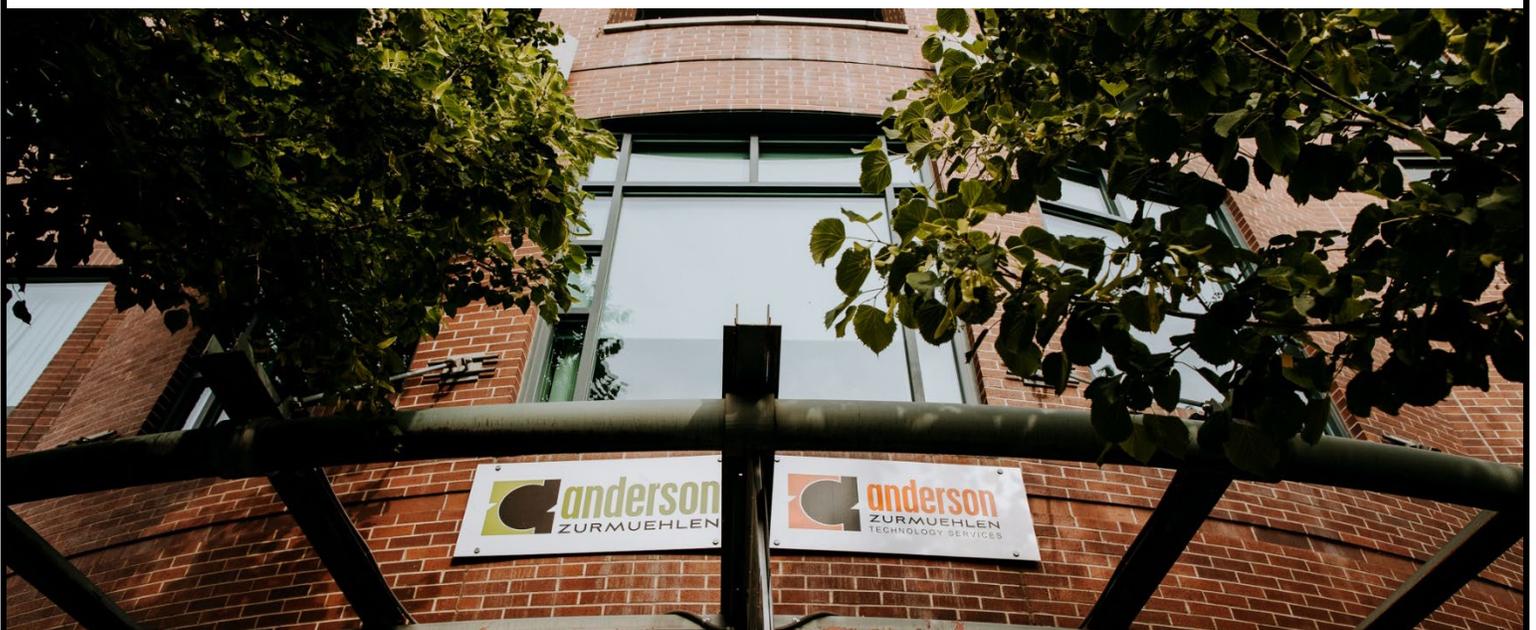
**We affirm** that Anderson ZurMuehlen is independent with respect to the City of Missoula and its component units under the AICPA Code of Professional Conduct and Government Auditing Standards. We know of no past or present relationships between our firm or its employees and the City that would represent a conflict of interest or a violation of applicable independence rules.

Should we be reappointed as your auditors, we will take affirmative steps to ensure that independence is maintained throughout the term of our engagement.

For the past five years, we have been the auditors for the City of Missoula and the following component units of the City of Missoula:

- Missoula Redevelopment Agency
- Missoula Parking Commission
- Business Improvement District (as part of the City's audit)
- Tourism Business Improvement District (as part of the City's audit)

The above referenced relationships with the City of Missoula and its component units do not constitute a conflict of interest because the audit engagements are subjected to our engagement quality review process by an independent shareholder of our firm who is not involved directly in the engagement.



# License to Practice in Montana

Our firm and all our Montana CPAs hold current licenses to practice in the State of Montana. We are also registered with the Montana Department of Administration and are included on the Roster of Independent Auditors Authorized to Conduct Audits of Montana Local Government Entities.

- Jan Schweitzer, Montana CPA License Number 2763
- Stefeni Freese, Montana CPA License Number 3070
- Grace McKoy, Montana CPA License Number 11619
- Jessica Van Voast, Montana CPA License Number 5298
- William Parnell, Montana CPA License Number 32635

The individuals above may be assisted by additional staff members in the process of obtaining their certifications, but such individuals will work under the direct supervision of a licensed CPA. Resumes for the engagement team members accompany this proposal.

We have dedicated professionals in each of the services we offer. Anderson ZurMuehlen's Continuing Professional Education program focuses on continually building the technical and industry-related knowledge base of our professionals so they can develop an adept understanding of the specific issues our clients face. By developing an understanding of the nuances of an industry, our professionals are able to deliver tailored solutions to meet your needs.



# Firm Qualifications & Experience

## BEST QUALITIES OF LARGE AND SMALL FIRMS

For over 63 years, Anderson ZurMuehlen has been recognized as a premier accounting, tax, and consulting firm known for our exceptional client service; experienced, accessible service teams; and our focus on quality and efficiency. Our firm has grown to be the largest Montana-based CPA and business advisory firm servicing clients through seven offices across the state, with approximately 230 employees, 48 of whom are shareholders. We have over 40 individuals and eight shareholders who have government expertise.

Additionally, Anderson ZurMuehlen is an independent member of the BDO Alliance USA, a nationwide association of independently owned local and regional accounting, consulting and service firms with similar client service goals. The Alliance brings us the necessary tools to help us better serve our clients with greater flexibility, efficiency and cost effectiveness.

**Our regional firm structure, combined with experience and depth in accounting and attest services for local governments, truly allows us to serve you with the best of both worlds – access to national level resources with a local, customized and cost-effective approach.**

## LOCAL OFFICE PROFILE

Even though our Attest unit works across all offices, independent audit services for the City of Missoula will be performed primarily from our Missoula, Montana office. The demographics of the office are shown to the right, and all of the staff on this engagement are employed on a full-time basis.

The Missoula office of Anderson ZurMuehlen is located at 1821 South Avenue West, 5<sup>th</sup> Floor, Missoula, MT 59801 and offers a full suite of accounting services including independent audits, other attestation procedures, tax preparation and planning, accounting and payroll services, as well as financial and management advisory services and technology consulting. **A full listing of the firm's services can be found on the following page.**

MISSOULA OFFICE DEMOGRAPHICS	
Shareholders	12
Managers	6
Supervisors	2
Seniors	3
Staff	6
<b>Total</b>	<b>29</b>

## OUTSTANDING OR PREVIOUS DISCIPLINARY ACTIONS

Anderson ZurMuehlen adheres to the AICPA professional standards of audit practices and conduct. We are pleased to report that Anderson ZurMuehlen has no outstanding or previous federal or state desk or field reviews of its audits during the past three years. This can be verified with the Montana State Board of Public Accountants. In addition, none of the engagement team members or the firm have been the subject of any complaint or disciplinary action by any oversight body. We have not experienced any legal challenges related to our audit practice.

## PEER REVIEW REPORT

Anderson ZurMuehlen is confident in the quality of our work, evidenced by our voluntary enrollment in the AICPA's Peer Review Program. We are pleased to report that our most recent peer review included specific government engagements and resulted in a pass report with no letter of comment. A copy of this report has been included on pages 12-13.

# Services Overview

## COMPREHENSIVE, TAILORED CAPABILITIES

Anderson ZurMuehlen and Anderson ZurMuehlen Technology Services delivers a breadth of services tailored to meet our clients' needs. Our core services include:

### ASSURANCE

- Financial Statement Audits (including Single Audits), Reviews and Compilations
- Agreed Upon Procedures Engagements
- Employee Benefit Plan Audits
- Information Security Assurance
- Outsourced Accounting Services
- Outsourced Internal Audit Services
- System and Organization Control Examinations
- Specialized Consulting Engagements
- Policy & Procedures Reviews

### BUSINESS ADVISORY & RISK MANAGEMENT

- Accounting System Design and Review
- Business Plans and Projections
- Business Valuation
- Fraud Examinations and Forensic Accounting
- Litigation Support
- Peer Review Services
- Management Consulting
- Prospective or Forecasted Financial Statements
- Succession Planning

### TAX

- Tax Return Preparation
- Tax Planning
- Compensation and Benefits Analysis
- Cost Segregation
- Entity Selection
- Fixed Asset Advisory Services
- Individual Income and Estate Tax Planning, Preparation and Projections
- International Tax Planning
- Retirement Planning and Distribution Analysis
- State and Local Taxation
- Transaction Analysis

### TECHNOLOGY SERVICES

- IT Consulting
- Cyber Security Testing and Consulting
- Business Software Training
- Business Intelligence Analysis and Reporting
- Information Systems and Infrastructure
- PwrCloud and Desktop-as-a-Service

### BDO ALLIANCE USA

Anderson ZurMuehlen is an independent member of the BDO Alliance USA, a nationwide association of owned local and regional accounting, consulting and service firms with similar client service goals. The Alliance provides us the ability to offer national level resource and services to our clients while maintaining our autonomy.



# Industry Experience

## LOCAL GOVERNMENT INDUSTRY LEADERSHIP

Recognized as key thought leaders within the industry, our professionals believe in the power of industry participation. Anderson ZurMuehlen has provided services to government organizations since the founding of our firm in 1957, including significant experience with cities. Through years of working in this sector we have developed an in-depth knowledge of the unique factors and issues facing your industry.

Our local government service team members regularly attend the AICPA Government Accounting and Auditing Conference, as well as the Government Finance Officers Association annual Governmental Accounting, Auditing, and Financial Reporting conference. In addition, our team's ongoing technical development includes distribution of technical updates, relevant classes, and best practice sharing throughout the year to maintain an effective and technically proficient network of senior professionals.

## BREADTH OF SERVICES

Anderson ZurMuehlen delivers a wide range of services tailored to meet the needs of our governmental clients:

- Single Audits under Uniform Guidance
- Financial Statement Audits
- Internal control evaluations
- Regulatory, program, and contract compliance review
- Audit readiness support
- Accounting procedures and reporting process design and implementation
- Compliance audits
- CAFR preparation and review
- Program contract and financial compliance reviews and reporting
- Financial statement compilations
- Forensic accounting and fraud examinations
- Litigation support services
- Cyber security, risk management and information technology assessments
- Information system assurance
- Cloud-based technology solutions



## GFOA'S CERTIFICATE OF ACHIEVEMENT OF EXCELLENCE IN FINANCIAL REPORTING

Our firm has audited and prepared several government financial statements that have been awarded the Certificate of Excellence from the GFOA, including the City of Bozeman and Lewis and Clark County.

The firm's Attest Business Unit Director has served as a past member of the committee that reviews CAFRs across the nation to determine if they meet the applicable GFOA requirements.

# Quality Control Procedures

## ANDERSON ZURMUEHLEN'S QUALITY ASSURANCE PROCEDURES

We have several processes in place to ensure that our professional services are performed to a high level of quality in accordance with Anderson ZurMuehlen's policies and applicable professional and regulatory standards. These processes include:

**Technical Reviews** – all technical work is reviewed by a partner and/or a senior technical manager to ensure work is performed and delivered to standards consistent with all relevant professional standards and complies fully with appropriate regulatory requirements.

**Internal Quality Reviews** – conducted annually on certain assignments by experienced independent partners to assess whether the services were performed to a high level of quality in accordance with Anderson ZurMuehlen's policies and applicable professional and regulatory standards.

**External Reviews** – Anderson ZurMuehlen is subject to periodic AICPA Independent Peer Reviews. Our most recent finalized inspection results are attached on the following pages where we received a pass rating. Our most recent peer review conducted in 2020 is in the process of being finalized.



# Peer Review



CERTIFIED PUBLIC ACCOUNTANTS  
AND CONSULTANTS

## REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL

August 10, 2017

To the Shareholders of  
Anderson ZurMuehlen & Co., P.C.  
and the Peer Review Committee of the Montana Society  
of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Anderson ZurMuehlen & Co., P.C. (the firm) in effect for the year ended May 31, 2017. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### **Firm's Responsibility**

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### **Peer Reviewer's Responsibility**

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

### **Required Selections and Considerations**

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans, an audit performed under FDICIA, and an examination of a SOC 1 service organization.

# Peer Review (continued)

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

## Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Anderson ZurMuehlen & Co., P.C. in effect for the year ended May 31, 2017, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Anderson ZurMuehlen & Co., P.C. has received a peer review rating of *pass*.



Brady Martz and Associates, P.C.

**NOTE:** Our most recent peer review was conducted in Fall 2020, and we are currently awaiting final approval from the Nevada Society of CPAs Review Acceptance Body. We expect our most recent report to be available shortly and can be provided upon request.

# Service Team Qualifications

## EXPERIENCED LEADERSHIP, TAILORED TO THE CITY'S NEEDS

We have brought together a talented team of professionals, tailored to serve the City with the depth of knowledge and experience that will enable us to deliver a high standard of client service.

## STREAMLINED STRUCTURE, DIRECT ACCESS

As is true for all engagements, our audit will be led by an experienced shareholder who is heavily involved in the engagement and staffed by professionals with the appropriate skill levels and industry knowledge to perform the engagement designed to exceed your expectations. Your key engagement leaders include Jan Schweitzer, Grace McKoy, Will Parnell, Jessica Van Voast, and Stefeni Freese. Their respective roles and relevant experience are highlighted in the detailed resumes included on pages 16-20.



**JAN SCHWEITZER**, CPA, CFE, Shareholder, will serve as the engagement partner and primary liaison between the City and Anderson ZurMuehlen, ensuring you receive excellent service throughout the engagement. With over 25 years of experience, Jan has extensive audit and financial reporting expertise. Jan goes beyond the basics and provides her clients with excellent feedback on enhancing internal controls and operations. Jan has obtained the required continuing education under Government Auditing Standards and is licensed to practice in the State of Montana.



**GRACE MCKOY**, CPA, CVA, Shareholder, will serve as one of the engagement managers, assisting the engagement partner and directly supervising certain members of the engagement team. Grace has over eight years of experience providing quality attest and consulting services to her clients. Grace has obtained the required continuing education under Government Auditing Standards and is licensed to practice in the State of Montana.



**WILL PARNELL**, CPA, Supervisor, will serve as one of the engagement managers, ensuring the work is performed in accordance with established timelines. Will has over five years serving the public sector and brings a wealth of knowledge to each engagement while serving other government clients. Will has obtained the required continuing education under Government Auditing Standards and is licensed to practice in the State of Montana.



**JESSICA VAN VOAST**, CPA, Shareholder, will serve as the independent quality control reviewer. This individual is assigned based on his or her qualifications as a quality control reviewer and experience in audits of government entities. Jessica has over 15 years of experience performing financial statement services for government entities and has a wealth of experience providing guidance over many accounting related issues. Jessica has obtained the required continuing education under Government Auditing Standards and is licensed to practice in the State of Montana.



**STEFENI FREESE**, CPA, Shareholder, will serve as the technical engagement advisor. She will be available for consultation regarding specific technical issues related to the engagement. Stefeni has over 31 years auditing and consulting with government clients and serves as the firm's Attest Business Unit Director and the firm's Quality Control Director. Stefeni has obtained the required continuing education under Government Auditing Standards and is licensed to practice in the State of Montana.

**Additional team members with appropriate experience and skills may be assigned, as necessary.**

# Service Team Qualifications

## DEDICATED TO CONTINUING EDUCATION AND UNWAVERING QUALITY

We pride ourselves on providing quality service to our clients as well as excellent and relevant continuing education to our professionals. Furthermore, in addition to national conferences that our staff attend, our internal courses are taught by the senior leaders of our firm, who also serve as instructors for national and statewide CPA conferences.

**Relevant CPE hours for each key engagement team member are shown to the right.**

CPE hours January 2019-present	Professional Proficiency	Government-Specific
Jan Schweitzer	105.5	25.5
Stefeni Freese	107	53
Jessica Van Voast	80	31
Grace McKoy	123	32.5
Will Parnell	113.5	28

## DEDICATED, EXPERIENCED RESOURCES

Anderson ZurMuehlen has assembled an engagement team comprised of individuals who have extensive experience performing audit services for governmental entities. Each of these individuals will devote significant time to the engagement and ensure that all aspects of the work are executed in conformity with the firm's quality standards.

Your business is important to us, and we understand the importance of providing experienced resources to you. We are dedicated to making you successful and providing clear communication throughout the process. We believe the key ingredient to effective professional services is the strength of the personnel involved. We trust that, based on our past experience with you, you will find our staff to be professional, technically qualified and personally enjoyable to work with.

## AFFIRMATIVE ACTION

Anderson ZurMuehlen does not discriminate against employees, students, or applicants on the basis of age, color, disability, gender, national origin, political affiliation, race, religion, sexual orientation, genetic information, veteran status, or any other basis protected by law.



# Jan Schweitzer

CPA, CFE, SHAREHOLDER



## EXPERIENCE

Jan has over 25 years of extensive audit and financial reporting experience, including the performance and supervision of financial statement and compliance audits for governmental, nonprofit and commercial entities. Drawing on her experience in fraud and forensic services, Jan goes beyond the basics and provides her clients with excellent feedback on enhancing internal controls. Other specific experience includes:

- Advisory and consulting experience, including evaluation of risk management, control activities and governance
- Design, implementation and evaluation of internal control systems
- Fraud and forensic services to aid in the compilation of documentation to support litigation-based cases

## CLIENT SERVICES SECTOR & AREAS OF SPECIALIZATION

- Jan's clients primarily include governmental entities, nonprofit organizations, and commercial entities in the construction industry.

## PROFESSIONAL AFFILIATIONS

- Member, American Institute of CPAs
- Member, Montana Society of CPAs
- Member, Missoula Chapter of the Montana Society of CPAs
- Advisory Board Member, First Interstate Bank
- Past Chair and current Board Member, Missoula Area Chamber of Commerce
- Member, Missoula Area Chamber of Commerce Ambassadors
- Finance Committee Member, Missoula Art Museum
- Past Chair and Treasurer, United Way of Missoula County
- Past Treasurer and Board Member, Missoula Family YMCA
- Board Member, Montana Conservation Corps

## EDUCATION

- Bachelor of Science in Accounting, Montana State University
- Content contributor and instructor for the annual Anderson ZurMuehlen Advanced Accounting Issues for Nonprofit conference
- Continuing education through the American Institute of CPAs, the Montana Society of CPAs, BDO Alliance USA, and Anderson ZurMuehlen sponsored courses.

# Grace McKoy

CPA, CVA, SHAREHOLDER



## EXPERIENCE

Grace has over eight years of experience providing quality attest and consulting services to her clients and serves as the Insurance Specialty Team Lead for the firm. Her attest work includes audits, reviews, compilations, and agreed upon procedures.

Grace serves an array of various organizations and has extensive audit and accounting experience related to performance and supervision of audits, evaluation of internal control structures, and preparation and analysis of financial statements.

## CLIENT SERVICES SECTOR & AREAS OF SPECIALIZATION

- Grace's clients primarily include governmental entities, nonprofit organizations, for-profit entities and various property and casualty captives and reinsurance captives.

## PROFESSIONAL AFFILIATIONS

- Board Member, Montana Society of CPAs
- Vice President, Missoula Chapter of the Montana Society of CPAs
- Member, American Institute of CPAs
- Member, National Association of Certified Valuators and Analysts
- Member, Montana Captive Insurance Association
- Member, Missoula College Accounting Technology Advisory Committee at the University of Montana
- Finance Committee Member, Missoula Food Bank
- Finance Committee Member, Partners Hope Foundation
- Past Treasurer, Missoula Midtown Association
- Past Treasurer, Missoula Strikers Association
- Past Treasurer, Poverello Center, Inc.
- Graduate, Leadership Missoula, Class 33

## EDUCATION

- Master of Accountancy, University of Montana
- Bachelor of Science in Accounting, University of Montana
- Content contributor and instructor for the annual Anderson ZurMuehlen Advanced Accounting Issues for Nonprofit conference and 2021 Accounting and Auditing Standards Update.
- Continuing education through the American Institute of CPAs, the Montana Society of CPAs, Booke Seminars, BDO Alliance USA, and Anderson ZurMuehlen sponsored courses.

# William Parnell

CPA, SUPERVISOR



## EXPERIENCE

Will has over five years of experience serving the public sector. His experience includes insurance tax return preparation, audit examinations, internal control evaluation, financial statement preparation and analysis and compliance audits. He is well versed in Generally Accepted Accounting Principles and attends specialized accounting CPE each year. Will brings a wealth of knowledge and experience to each engagement as he services multiple governmental entities.

## CLIENT SERVICES SECTOR & AREAS OF SPECIALIZATION

- Will's clients primarily include local government entities, insurance entities, healthcare organizations, nonprofit organizations, and financial institutions.

## PROFESSIONAL AFFILIATIONS

- Member, American Institute of CPAs
- Member, Montana Society of CPAs
- Past Chair, Anderson ZurMuehlen Management Advisory Committee

## EDUCATION

- Bachelor of Science in Administration – Accounting Option, University of Montana
- Masters of Accountancy, University of Montana
- Continuing education through the Montana Society of CPA's, American Institute of CPA's, BDO Alliance USA, and Anderson ZurMuehlen sponsored courses

# Jessica Van Voast

CPA, SHAREHOLDER



## EXPERIENCE

Jessica has over 15 years of experience in providing attest and consulting services to her clients. Jessica's practice area has been comprised of employee benefit plans, governmental entities and nonprofit organizations. Jessica has a wealth of experience providing compilations, audit examinations, evaluation of internal controls systems, compliance reporting and providing guidance over many other accounting related issues. Other specific experience includes:

- Accounting and auditing work including audit examinations, evaluation of internal accounting control systems, and financial statement preparation and analysis.
- Advisory and consulting experience includes evaluation of risk management, control activities, and corporate governance
- Extensive experience with financial statement audits, internal control assessment, and compliance audits
- Proficient in reporting under Governmental Auditing Standards and in compliance with Uniform Guidance

## CLIENT SERVICES SECTOR & AREAS OF SPECIALIZATION

- Jessica's clients primarily include local government entities, employee benefit plans, nonprofit organizations, and manufacturing & retail industries.

## PROFESSIONAL AFFILIATIONS

- Member, American Institute of CPAs
- Member, Montana Society of CPAs
- Treasurer, HAVEN Board of Directors
- Member, HAVEN Finance Committee & Executive Committee
- Former Committee Member, Montana Society of CPAs Financial Reporting and Technical Standards
- Committee Member, Montana State University College of Business Golf Tournament

## EDUCATION

- Bachelor of Science in Business – Accounting Option, Montana State University
- Masters of Professional Accountancy, Montana State University
- Continuing education through the Montana Society of CPAs, American Institute of CPAs, BDO Alliance USA and Anderson ZurMuehlen sponsored courses.

# Stefeni Freese

**CPA, SHAREHOLDER, ATTEST BUSINESS UNIT DIRECTOR**



## **EXPERIENCE**

Stefeni has over 31 years of experience providing quality audit and tax services to entities across many sectors. Her experience includes all phases of accounting, auditing, and consulting, including performance and supervision of audits, evaluation of internal controls, preparation and analysis of financial statements, and developing and implementing accounting system solutions.

Stefeni services as the firm's Quality Control Director and is a member of the Anderson ZurMuehlen Board of Directors. She also performs peer reviews of other public accounting firms across the nation.

## **CLIENT SERVICES SECTOR & AREAS OF SPECIALIZATION**

- Stefeni's clients primarily include local government entities, nonprofit organizations, employee benefit plans, construction & engineering firms, and financial institutions.

## **PROFESSIONAL AFFILIATIONS**

- Member, American Institute of CPAs
- Member, Montana Society of CPAs
- Member, Montana Association of School Business Officials, Montana League of Cities and Towns, and Montana Association of Counties
- Past Chairman, Peer Review Committee of the Montana Society of CPAs
- Past Chairman, Boys and Girls Club of Yellowstone County
- Past Member, MSU Accounting Advisory Council

## **EDUCATION**

- Bachelor of Science in Accounting, Montana State University
- Content contributor and instructor for the annual Anderson ZurMuehlen Advanced Accounting Issues for Nonprofit Conference
- Continuing education through the Montana Society of CPAs, American Institute of CPAs, BDO Alliance USA, Government Finance Officers Association, Audit Watch, and Anderson ZurMuehlen sponsored courses

# Staff Continuity

## ANDERSON ZURMUEHLEN STAFF CONTINUITY AND TURNOVER

Anderson ZurMuehlen is committed to engagement staff continuity. Our firm strives to achieve a balance between staff continuity and the “fresh view” that may be gained by rotating engagement personnel. Many of our clients prefer to have the same personnel on the job on a long-term basis because they believe our familiarity and depth of knowledge about them will enhance the quality of our services and efficiencies. Others are pleased to see some change in our personnel, and a few require that we rotate personnel at the shareholder or manager level.

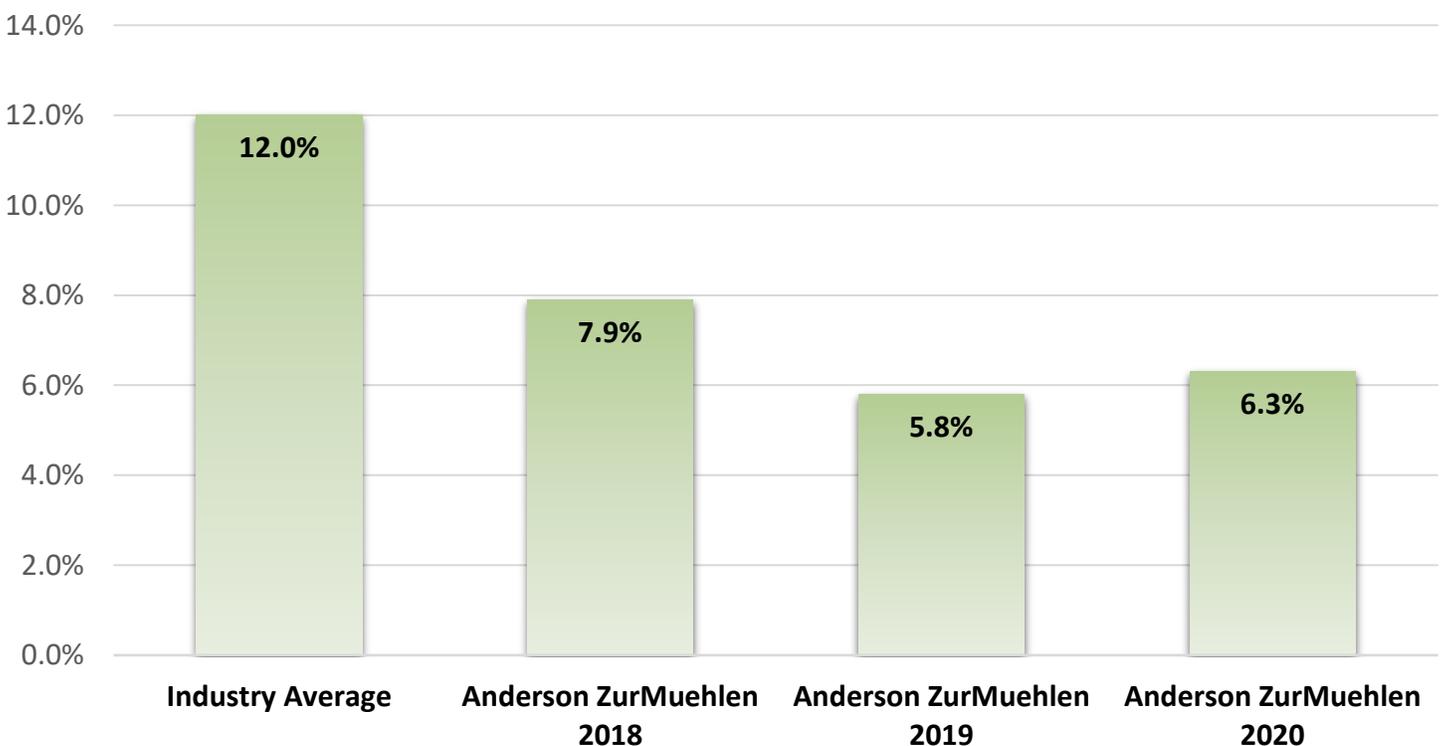
**We are pleased to have a deep bench of experienced resources allowing us the ability to offer fresh perspectives throughout our relationship with you while maintaining staff continuity for efficiencies.**

Anderson ZurMuehlen has adopted a business unit structure versus an office centric structure. This enables us to utilize the skills of our firm’s best talent to ensure we align our resources in the most effective manner and to provide the best service and knowledge base possible.

Our team approach makes it possible to draw upon the firm’s extensive professional staff for consultation and technical expertise. We do not anticipate any scheduling conflicts, but if one were to occur, we have over 40 individuals and eight shareholders who have government expertise that could be utilized on the engagement to meet the required deadlines. Barring unforeseen circumstances, we will strive to maintain the same personnel on this engagement. Should you desire a rotation of any or all personnel, we will accommodate your request and staff these positions with other professionals who have significant experience and expertise in audits of local governments.

**We commit to provide you with an engagement team that is capable, congenial, and efficient.**

Turnover in personnel is a fact we at Anderson ZurMuehlen face, just like any other professional services firm. It is our desire to retain the best and brightest of our staff. The graph below presents our recent turnover experience, which has been significantly lower than the industry as a whole.



# Prior Engagements with the City of Missoula

Below is a list of our prior engagements with the City of Missoula within the last five years:

- **CITY OF MISSOULA**  
**Scope of Work:** Single Audits  
**Date:** June 30, 2016 - June 30, 2020  
**Engagement Partner:** Jan Schweitzer, Shareholder  
Led out of Missoula Office  
**Total Hours:** 2,952  
**Client Contact:** Leigh Griffing – 406.552.6122
- **MISSOULA REDEVELOPMENT AGENCY**  
**Scope of Work:** Audits  
**Date:** June 30, 2016 - June 30, 2020  
**Engagement Partner:** Jan Schweitzer, Shareholder  
Led out of Missoula Office  
**Total Hours:** 956  
**Client Contact:** Ellen Buchanan – 406.552.6160
- **MISSOULA PARKING COMMISSION**  
**Scope of Work:** Audits  
**Date:** June 30, 2016 - June 30, 2020  
**Engagement Partner:** Jan Schweitzer, Shareholder  
Led out of Missoula Office  
**Total Hours:** 670  
**Client Contact:** Tiffany Brander – 406.552.6250
- **CITY OF MISSOULA**  
**Scope of Work:** Building Codes Agreed Upon Procedures  
**Date:** June 30, 2016 - June 30, 2020  
**Engagement Partner:** Jan Schweitzer, Shareholder  
Led out of Missoula Office  
**Total Hours:** 184  
**Client Contact:** Leigh Griffing – 406.552.6122



# Similar Engagements

**Anderson ZurMuehlen combines industry knowledge and technical expertise to help you address your challenges and capitalize on your opportunities.** When you need guidance on matters put forth by changing accounting standards, our team provides swift resolution of technical issues and questions through shareholder-led client service teams, direct access to technical leaders, as well as direct access to resources through our national network.

**We understand your success depends on improving performance and operational efficiency, as you work to comply with ever-changing regulatory and reporting requirements, and our professionals can assist you in devising, planning, and implementing strategies to accomplish your goals.**

The past performance of a firm is critical to evaluating and selecting a service provider. As noted previously, Anderson ZurMuehlen has adopted a business unit structure versus an office centric structure where all engagements are staff at the business unit level as opposed to by location. Below is a selection of similar engagements performed by our Attest Business Unit in the last five years (most recent year listed below):

- **FLATHEAD COUNTY**  
**Scope of Work:** Single Audit  
**Date:** June 30, 2020  
**Engagement Partner:** Stefeni Freese, Shareholder  
**Total Hours:** 542  
**Client Contact:** Amy Dexter, Finance Director  
406.758.5538
- **CITY OF BOZEMAN**  
**Scope of Work:** Single Audit, *GFOA Certificate*  
**Date:** June 30, 2020  
**Engagement Partner:** Jessica Van Voast, Shareholder  
**Total Hours:** 505  
**Client Contact:** Kristin Donald, Finance Director  
406.582.2300
- **YELLOWSTONE COUNTY**  
**Scope of Work:** Single Audit  
**Date:** June 30, 2020  
**Engagement Partner:** Stefeni Freese, Shareholder  
**Total Hours:** 461  
**Client Contact:** Kevin Bryan, Finance Director  
406.256.2718
- **LEWIS & CLARK COUNTY**  
**Scope of Work:** Single Audit, *GFOA Certificate*  
**Date:** June 30, 2020  
**Engagement Partner:** Stefeni Freese, Shareholder  
**Total Hours:** 423  
**Client Contact:** Nancy Everson, Finance Director  
406.447.8309
- **CITY OF GREAT FALLS**  
**Scope of Work:** Single Audit  
**Date:** June 30, 2020  
**Engagement Partner:** Rick Reisig, Shareholder  
**Total Hours:** 351  
**Client Contact:** Melissa Kinzler, Finance Director  
406.455.8476

## OTHER LOCAL GOVERNMENT EXPERIENCE

- Missoula County Public Schools
- Glasgow Public Schools
- Great Falls School District #1
- Bozeman School District #7
- City of Thompson Falls
- City of Glasgow
- Gallatin County
- Hill County
- Big Sky Economic Development Authority
- Public Housing Authority of Butte
- Great Falls Housing Authority
- Flathead Municipal Airport Authority
- Missoula County Airport Authority
- Bert Mooney Airport Authority
- Helena Regional Airport Authority
- Great Falls International Airport Authority
- Havre City County Airport
- Gallatin County Water and Sewer District
- Yellowstone City-County Health Department (RiverStone Health)
- Frenchtown Rural Fire District

# Segmentation & Scheduling

## PROPOSED TIMELINE

We are confident we can meet the City of Missoula's timeline set forth in the RFP. Our plan for completing the audit within the specified deadlines is to the right. Hours per phase to the right are estimates and are subject to change.

The proposed timetable is based upon our past experience as your independent auditors. Upon reappointment as your service provider, we will work with your team to develop a detailed schedule with key milestones that will allow you to monitor our progress and quality throughout the process. Our goal is to adapt our processes to meet your team's needs.

## FEEDBACK

Quality, accurate, and open feedback allows us to enhance our performance and gauge how well we are meeting our clients' expectations. We take client service and satisfaction seriously and continuously assess our clients' expectations and perceptions.

## REPORTING TO MANAGEMENT

We will communicate with management and/or those charged with governance on a regular basis and in several ways. We will tailor our formal communication with governance to fit your needs with in-person meetings or conference calls. The following options are available:

- Introductory meeting prior to the start of financial statement work to identify forthcoming issues and discuss planned timing.
- Fieldwork meetings will take place with management as appropriate, to address any issues identified during the course of the review. We will contact management and governance, if warranted.
- Exit meeting to discuss draft reports and any findings with the Audit Committee.
- As-needed meetings throughout the year to discuss financial and strategic challenges as they arise, as well as new or changing service needs. We will communicate with management if there are potential adjustments or management recommendations.

AUG

### Audit Planning Procedures:

- We will perform this phase during the period from when we are reappointed as your auditors through the fieldwork phase of the engagement each year. This phase consists of a planning meeting with management, finalization of the audit risk matrix and preliminary scheduling of fieldwork dates. The schedule and procedures will be developed in conjunction with and approved by management.

Shareholders: 30 hrs | Supervisor: 30 hrs | Staff: 7 hrs

SEPT

### Audit Interim/Pre-Field Work Procedures:

- This phase consists of tests of controls and year-end cutoff work and anticipate this to be done no later than September 15 of each year. We will provide a comprehensive list of all documents and schedules required for the audit by July 1 of each year. We expect all requested schedules and documents to be completed upon our arrival to perform fieldwork, or in the time frame identified.

Shareholders: 4 hrs | Supervisor: 20 hrs | Staff: 20 hrs

OCT

### Audit Fieldwork Procedures:

- As requested, general audit fieldwork, other than interim audit work, will take place after the third week of October each year and will include a progress report to management as field work progresses. This will be scheduled to begin as soon as your books are closed and management has provided the information we will request. This phase consists of completion of tests of controls, and performance of substantive tests, and will be completed by November 19 of each year.

Shareholders: 136 hrs | Supervisor: 236 hrs | Staff: 272 hrs

DEC

### Audit Reporting:

- We will prepare and present the audit report and management letter drafts to management at least two weeks prior to issuing a final report, and no later than December 15 of each year. We will present the final audit report to the Audit Committee, as requested, and will give an oral presentation to the City Council; after the final audit is delivered to the City of Missoula.

Shareholders: 93 hrs | Supervisor: 4 hrs | Staff: 48 hrs

# Engagement Approach

## **HIGH QUALITY, CUSTOMIZED, RISK-FOCUSED AUDIT**

Every audit is customized to ensure an efficient, risk-based methodology, specific to the client, beginning by developing a thorough understanding of the operating environment, entity structure, internal control environment, and governance structure as well as the applicable reporting requirements for the entity. Based on these factors, expectations are developed, and risks are identified to aid in developing the audit methodology and selection of specific audit procedures. This approach yields a high-quality, risk-based audit, reducing risk of undetected material misstatements and maximizing the results of the audit.

Designing an efficient and effective integrated audit is dependent on an early and accurate risk assessment. Our approach focuses on significant hands-on involvement of our most experienced professionals to promote a strong understanding of the relevant financial statement, control and compliance risks to incorporate a unique risk-based framework to focus more audit effort in higher risk areas. In addition, Anderson ZurMuehlen ensures full compliance with *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*.

## **AUDIT METHODOLOGY, INCLUDING APPROACH TO MATERIALITY**

Our firm uses internal control checklists and programs for audits developed by Practitioners Publishing Company (PPC). We tailor the methodologies and concepts suggested by PPC and customize their standard programs to be uniquely geared to specific areas and specified risks. We also utilize paperless audit software provided by CCH. The paperless system, coupled with our wireless communications, gives our engagement team on-line access to working papers, audit manuals, and research tools from any location, at any time. We follow the methodology set forth by PPC to calculate materiality, while applying professional judgment with the ultimate financial statement users in mind. We also utilize PPC methodology for determining sample sizes based on the audit area, assessed risk, and materiality, and we perform procedures using both statistical (for audit areas) and attribute sampling methods (for tests of compliance and controls).

## **INTEGRATED TECHNOLOGY**

Our firm deploys several technologies to assist with our audit process to provide a more robust and valuable service. We have infused the use of data analytics and artificial intelligence into our audit process. This allows us to evaluate 100% of the transactions running through the City's financial statements rather than relying on traditional sampling methodologies alone. We believe this provides a more robust risk assessment, as well as a greater value to the organization.

## **INTERNAL CONTROLS, LAWS AND REGULATIONS**

Through interviews with personnel, and internal control walk-throughs, we will obtain a deep understanding of your internal controls and provide a detailed report of findings and any recommendations on strengthening internal controls to management. We will also gain an understanding of the specific federal programs administered by the City, as well as Uniform Guidance regulations and state law to determine the direct and material compliance tests to be performed.

## **TECHNOLOGY DRIVEN**

Our firm has championed the use of technology in all areas of practice to more efficiently serve our clients. We will utilize a secure, web-based **Client Portal** for transfer of client information and documents throughout the engagement. Furthermore, all of our team members utilize a **Virtual Desktop Infrastructure**, providing them with secure and reliable access to necessary documents and programs from any location.

# Engagement Approach (cont.)

## **ANALYTICAL REVIEW PROCEDURES**

Generally accepted auditing standards require that we perform analytical procedures in three ways:

- As a part of the audit planning process
- As a part of the substantive auditing procedures
- In the final review process

**The following is a summary of our anticipated analytical review procedures:**

### **Planning Analytical Review**

- Comparison of actual revenues and expenses to budget
- Comparison of operating performance data to prior year and budgeted amounts
- Comparison of preliminary financial statement data to the prior year

### **Substantive Analytical Review**

- Predictive tests of certain revenue and expense items
- Comparison of detailed balance sheet and revenues/expense line items to prior year and budget where applicable

### **Final Analytical Review**

- Comparison of financial statement line items and disclosure items to prior year and identification of any unexpected change

## **APPROACH TO CONSIDERATION OF INTERNAL CONTROLS**

Our approach to consideration of the City of Missoula's internal controls is based on an integrated risk assessment philosophy and includes the following:

- Evaluate control environment factors
- Evaluate accounting systems factors (transaction initiation, recording, valuation and classification, including information systems)
- Evaluate control procedures

## **MAINTAINING EFFECTIVE COMMUNICATION**

A positive working relationship with you is vital to a successful engagement. Our approach to maintaining this relationship includes:

- Utilizing personnel who are technically qualified, possess good interpersonal skills, and maintain a positive client service attitude
- Maintaining flexibility in our engagement schedule and in our requests for assistance from your staff
- Recognizing established lines of authority at the City of Missoula and ensuring that communications are directed to the proper levels
- Providing explanations and instructions when requesting assistance
- Avoiding insignificant audit comments and explaining the relative significance of matters that are required to be reported
- Discussing sensitive issues at the earliest possible time and maintaining open communication so that such issues can be resolved well in advance of issuing the audit report.

We believe the best way to maintain a positive working relationship with you is to consider your staff as much a part of the engagement team as our own staff. Working together in a cooperative and supportive way will ensure that the objectives of the engagement are achieved by all of us, and we can thus share in the satisfaction of a job well done.

# Engagement Approach (cont.)

## PHILOSOPHY REGARDING AUDIT FINDINGS AND REPORT

Like our approach to maintaining a positive client relationship, our philosophy regarding the content and communication of audit reports reflects our primary goal of providing constructive client service. In all our communications we strive to keep an independent and objective perspective while offering useful and constructive recommendations. Our intention is to focus on matters that are significant and avoid, to the extent possible, trivial matters.

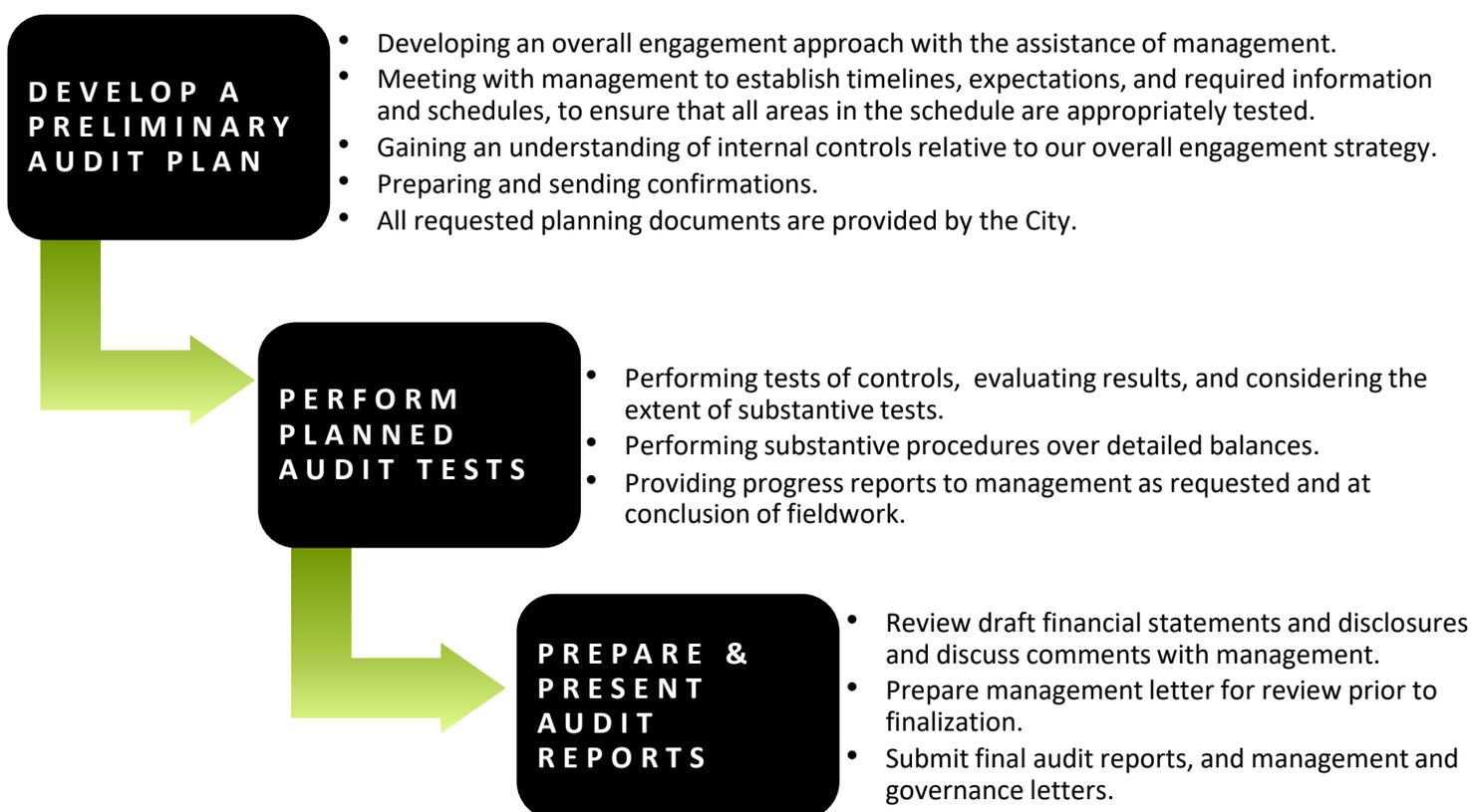
We believe that our methodology provides you with an audit that is efficient and effective. Our risk-based approach ensures that significant areas receive the greatest audit resources. Our balanced combination of risk assessment, tests of controls and tests of transactions provides comprehensive audit coverage with an appropriate level of effort and cost. Our emphasis on client service will provide the City of Missoula with the highest quality audit services aimed at positive, constructive benefits.

## WORK PAPER RETENTION

All working papers will be retained for a minimum of seven years from the date of the audit report. We will make the working papers available upon request for no additional fee. In addition, we will respond to requests from successor auditors and allow them to review working papers related to the audit report.

## OVERALL ENGAGEMENT APPROACH

The following describes our overall approach to the engagement:



This approach is designed to provide efficient coverage by (1) emphasizing risk and materiality assessment in the audit planning phase, (2) utilizing tests of controls where appropriate to support a reduced level of control risk and thereby minimize substantive procedures, and (3) maximizing analytical review procedures in areas where they yield effective audit results.

# Identification of Anticipated Potential Audit Problems

**We do not anticipate any potential audit problems; however, should any issues come to our attention, we will discuss with the Assistant Finance Director immediately to reach an agreeable resolution. If we become aware of material irregularities and illegal acts or indications of illegal acts, we will immediately prepare a written report to the City of Missoula Council, City of Missoula Mayor, City of Missoula Chief Administrative Officer, and City of Missoula Audit Committee Members.**

# Sample Reports

Below are samples of reports we anticipate issuing for the City and its component units FY2021 audits. Beginning in FY 2022, our reports will be updated to reflect changes as required by Statements on Auditing Standards (SAS) Nos. 134-140.

## INDEPENDENT AUDITOR'S REPORT

Mayor and City Council  
City of Missoula  
Missoula, Montana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Missoula, Montana (the City), as of and for the year ended June 30, 20xx, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**ANDERSON ZURMUEHLEN & CO., P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Missoula, Montana, as of June 30, 20XX, and the respective changes in financial position, and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule – general fund, schedule of changes in other post employment benefits liability and related ratios, schedule of proportionate share of net pension liability and schedule of contributions for the last ten fiscal years be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, major and nonmajor governmental funds – budget to actual, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

**ANDERSON ZURMUEHLEN & CO., P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

The combining and individual nonmajor fund financial statements, major and nonmajor governmental funds – budget to actual, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated MMDDYYYY on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Missoula, Montana  
MMDDYYYY



INDEPENDENT AUDITOR'S 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*

Mayor and City Council  
City of Missoula  
Missoula, Montana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Missoula, Montana (the City), as of and for the year ended June 30, 20XX, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated MMDDYYYY.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

*A deficiency in internal control* exists when 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that may have not been identified.

**ANDERSON ZURMUEHLEN & CO., P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Missoula, Montana  
MMDDYYYY



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Mayor and City Council  
City of Missoula  
Missoula, Montana

**Report on Compliance for Each Major Federal Program**

We have audited the City of Missoula, Montana's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 20XX. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of The City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 20XX.

### **Report on Internal Control over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Missoula, Montana  
MMDDYYYY

# Client Service Commitment

## THANK YOU FOR YOUR CONSIDERATION OF ANDERSON ZURMUEHLEN

Our commitment is to serve the City of Missoula through a long-term responsive relationship matching your needs with our experience.

Along with the personalized service our professionals are committed to delivering, we've defined five of our clear client service traits.

**We are confident that Anderson ZurMuehlen is your distinctive choice in meeting these needs.**

For over 63 years, Anderson ZurMuehlen has been recognized as a premier accounting, tax and consulting firm known for our exceptional client service; experienced, accessible service teams; and our focus on quality and efficiency. Additionally,

Anderson ZurMuehlen is an independent member of the BDO Alliance USA, a nationwide association of independently owned local and regional accounting, consulting, and service firms with similar client service goals. The Alliance brings us the necessary tools to help us better serve our clients with greater flexibility, efficiency and cost effectiveness.

Above all else, your main team will be comprised of local Anderson ZurMuehlen professionals bringing personal attention and community focus which you deserve.

## CLIENT SATISFACTION

We take client service and satisfaction seriously, and we continuously assess our clients' expectations and perceptions. **At Anderson ZurMuehlen, our goal is to provide exceptional client service.** We welcome and encourage your feedback throughout the engagement. If you have any questions on the information included in this proposal or additional services you may require, please do not hesitate to contact us.

### Key Contact:



**JAN SCHWEITZER**, CPA, CFE  
Shareholder • Missoula, MT  
jschweitzer@azworld.com | 406.721.7800

- 1 — Early and continuous partner involvement.
- 2 — Direct access to top technical resources.
- 3 — Dedicated project management to help you meet deadlines.
- 4 — Value for fees through efficient, quality service.
- 5 — Proactive, continuous communications to help you meet your needs, challenges, and business goals.

# Appendix D

## Proposer Guarantees



APPENDIX D

PROPOSER GUARANTEES

1. The proposer certifies it can and will provide and make available, as a minimum, all services set forth in Section II, Nature of Services Required.
2. The proposer has read Appendix I, Contractual Requirements, and agrees that the rights and prerogatives as detailed in that appendix are retained by the City of Missoula.
3. The proposer agrees to be bound by the contractual requirements delineated in Appendix I.

Signature of Official: 

Name: Jan Schweitzer  
Title: Shareholder  
Firm: Anderson ZurMuehlen  
Date: May 28, 2021

# Appendix E

## Proposer Warranties



APPENDIX E

PROPOSER WARRANTIES

1. Proposer warrants that it is willing and able to comply with State of Montana laws.
2. Proposer warrants that it is willing and able to obtain an errors and omissions insurance policy providing a prudent amount of coverage for the willful or negligent acts, or omissions of any officers, employees or agents thereof.
3. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the prior written permission of the City of Missoula.
4. Proposer warrants that all information provided by it in connection with this proposal is true and accurate.

Signature of Official:



Name: Jan Schweitzer  
Title: Shareholder  
Firm: Anderson ZurMuehlen  
Date: May 28, 2021