

Entity shall provide copies of the reporting package defined in Uniform Guidance and the data collection form to the federal clearinghouse designated by OMB.

18. **Entity Response:** If not included in the audit report as provided in paragraphs 11.F. and 12.E., within 30 days after receiving the audit report, the Entity shall notify the State in writing as to what action it plans to take to correct any deficiencies or implement any recommendations identified or contained in the audit report as required by Section 2-7-515, MCA, and ARM 2.4.409. This notification must also address any findings and recommendations identified in any report to management or those charged with governance described in 11.C. above. If the audit is a single audit conducted in accordance with Uniform Guidance, this corrective action plan must also meet the requirements of Uniform Guidance. If the Entity is a school district or special education cooperative, the Entity shall also send a copy of this notification to the Office of Public Instruction.
19. **Entity's Attorney:** If requested by the State, the attorney for the Entity shall report to the State on the actions taken or the proceedings instituted or to be instituted relating to violations of law and nonperformance of duty as required by Section 2-7-515(4), MCA. The attorney shall report to the State within 30 days after receiving the request.
20. **Certification of Auditor Independence:** The Contractor certifies that, as required by generally accepted government auditing standards, it and its principals and employees are independent in all matters regarding this engagement. This contract must not include non-audit services. The Contractor shall neither arrange for nor accept other work with the Entity that could in any way impair the Contractor's compliance with professional independence standards. If required by the State, the Contractor shall provide documentation that independence has been maintained in both mind and appearance as required by professional auditing standards.
21. **Contractor and Subcontractors:** The Contractor shall not assign any rights, or subcontract or delegate any duties of the contract without the Entity's and State's prior written consent.

The Contractor is the prime contractor and is responsible, in total, for all work of any subcontractors. Any subcontractors performing audit work shall be on the Roster of Independent Auditors authorized to conduct audits of Montana local governments that is maintained by the State. The Contractor is responsible to the Entity and the State for the acts and omissions of all subcontractors or agents and of persons directly or indirectly employed by such subcontractors or agents. There is no contractual relationship between any subcontractor and the State.

22. **State Participation in Conferences:** The State may participate in all entrance and exit conferences between the Entity and Contractor, as well as all major conferences held in conjunction with the audit of the Entity.
23. **Access to Records:** The Contractor shall give the State and, when required by law, the Montana Legislative Audit Division, access to the Contractor's work programs, supporting working papers, time records, and all other documents relating to the audit. Access to these documents must be provided at the State's offices in Helena, Montana. Access to working papers includes the right of the State to obtain copies of working papers, as is reasonable and necessary. The Contractor shall make the work programs and supporting working papers available to the State for use by the State or other public accounting firms as directed by the State in future audits of the Entity. The Contractor shall make the audit programs and supporting working papers available to the cognizant or oversight agency for audit or its designee, federal agencies providing direct or indirect funding, or the U.S. General Accounting Office, if requested. Access to working papers includes the right of federal agencies to obtain copies of working papers, as is reasonable and necessary. The Contractor shall retain the audit report, work programs, and supporting working papers for a minimum of five years from the date of the audit report, unless the State notifies the Contractor to extend the retention



period. If professional standards or other applicable laws, rules, or regulations require a longer retention period, the Contractor shall retain the above materials for that specified period.

24. **State Review of Report:** As provided by Section 2-7-522, MCA, the State shall review the Contractor's audit report. If the State determines that reporting requirements have not been met, it will notify the Entity and the Contractor of the significant issues of noncompliance. The Contractor shall correct the identified deficiencies within 60 days of notification.
25. **Independent Contractor:** The Contractor is an independent contractor and neither its principals nor its employees are employees of the State or Entity for any purposes.
26. **Workers' Compensation:** The Contractor certifies that it carries Workers' Compensation for its employees and that it has either elected Workers' Compensation or has an approved Independent Contractor's Exemption covering the Contractor while performing work under this contract. (Montana Code Annotated, Title 39, Chapter 71).
27. **Indemnity:** The Contractor shall defend and indemnify the State and Entity, their elected and appointed officials, agents, and employees from and against all claims, causes of action, damages, liabilities, court costs and attorney fees in favor of the Contractor's employees or third parties for bodily or personal injuries, death, or damage to property arising from the acts or omissions or alleged acts or omissions of the Contractor and/or its agents, employees, representatives, assigns, subcontractors under this contract. This defense and indemnify obligation does not apply to acts or omissions arising from the sole negligence of the State or Entity under this contract. This defense and indemnity obligation survives termination or expiration of this contract.

If the Contractor is or may be obligated to pay any cost, settlement, judgment, fine, penalty, or similar award or sanction as a result of a claim, investigation, or other proceeding instituted by any third party, then to the extent that such obligation is or may be a direct or indirect result of the Entity's intentional or knowing misrepresentation or provision to the Contractor of inaccurate or incomplete information in connection with this engagement, and not any failure on the Contractor's part to comply with professional standards, the Entity shall defend and indemnify the Contractor against such obligations.

28. **Insurance – Commercial General Liability:** The Contractor shall maintain for the duration of the contract, at its cost and expense, occurrence coverage insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work by the Contractor, and/or its agents, employees, representatives, assigns, or subcontractors. The Contractor's insurance coverage shall be primary insurance for the Contractor's negligence with respect to the State and Entity and their elected officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the State and Entity and their officers, officials, employees or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.

**Insurance - Professional Liability:** The Contractor shall purchase and maintain occurrence coverage to cover such claims as may be caused by any act, omission, negligence of the Contractor or its officers, agents, representatives, assigns or subcontractors.

If occurrence coverage is unavailable or cost-prohibitive, the state will accept 'claims made' coverage provided the following conditions are met: 1) the commencement date of the contract must not fall outside the effective date of insurance coverage and it will be the retroactive date for insurance coverage in future years, and 2) the claims made policy must have a three-year tail for claims that are made (filed) after the



cancellation or expiration date of the policy.

The State and Entity may require complete copies of certificates of insurance during the term of this contract.

29. **Compliance with Laws:**

- A. The Contractor shall, in performance of work under this contract, fully comply with all applicable federal, state, or local laws, rules, regulations, and executive orders including but not limited to, the Montana Human Rights Act, the Equal Pay Act of 1963, the Civil Rights Act of 1964, the Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990, and Section 504 of the Rehabilitation Act of 1973. The Contractor is the employer for the purpose of providing healthcare benefits and paying any applicable penalties, fees and taxes under the Patient Protection and Affordable Care Act [P.L. 111-148, 124 Stat. 119]. Any subcontracting by the Contractor subjects subcontractors to the same provisions.
- B. In accordance with 49-3-207, MCA, and Executive Order No. 04-2016 the Contractor agrees that the hiring of persons to perform this contract will be made on the basis of merit and qualifications and there will be no discrimination based on race, color, sex, pregnancy, childbirth or medical conditions related to pregnancy or childbirth, political or religious affiliation or ideas, culture, creed, social origin or condition, genetic information, sexual orientation, gender identity or expression, national origin, ancestry, age, disability, military service or veteran status, or marital status by the persons performing this contract.

30. **Work Accommodations:** The Entity shall provide the Contractor with reasonable space in which to conduct the audit and shall respond promptly to requests for information as well as for all necessary books and records. Support for clerical, equipment, reproduction services shall be agreed upon by the Entity and the Contractor as specified in Appendices A, B and C.

31. **Termination before Audit Commences:** Before the commencement of the audit, either the Contractor or the Entity, with the State's consent, or the State alone, may terminate this contract for cause if another party has breached a material term or condition of this contract or violated an applicable law or regulation. The non-breaching party shall provide the other party written notice of the breach and allow 20 days to remedy the breach.

The Contractor and the Entity may agree to terminate this contract without cause before the commencement of the audit. If such a termination occurs, the State shall consent to the termination upon written notification by the Contractor and the Entity of their agreement to terminate this contract.

The State, however, will not consent to the cancellation of an audit contract for the sole purpose of allowing the Contractor and Entity to then enter into a new contract that extends the number of fiscal years to be audited by the Contractor. Unless there are extenuating circumstances, the existing audit contract must be completed first. This provision does not prohibit the cancellation of a contract for the purpose of replacing an annual audit with a biennial audit.

32. **Termination after Audit Commences:** After the audit has commenced, but before the audit report has been issued, either the Contractor or the Entity, with the State's consent, or the State alone, may terminate this contract for cause if another party has breached a material term or condition of this contract or violated an applicable law or regulation. The non-breaching party shall provide the other party written notice of the breach and allow 20 days to remedy the breach. If the Contractor is the breaching party and fails to remedy the breach, the Contractor is not entitled to the fee set out in this contract. This is the Entity's and the State's sole remedy. If the Entity is the breaching party, the Entity shall pay the Contractor a pro rata portion of the fee set out in this contract, based on the percentage of work completed at the time of termination. This

is the Contractor's sole remedy.

The Contractor and the Entity may agree to terminate this contract without cause after the audit has commenced but before the audit report has been issued. If such a termination occurs, the State shall consent to the termination upon written notification by the Contractor and the Entity of their agreement to terminate this contract.

33. **Contractor Compliance with CPE and Quality Control Review:** The Contractor certifies compliance with the continuing professional education requirements and the external quality control review requirements as set out in Government Auditing Standards, as established by the Comptroller General of the United States. The State may require the Contractor to provide evidence that it has met the above requirements.
34. **Single Audit Act Certification:** If the audit is required to meet the requirements of the Single Audit Act of 1984, as amended, and Uniform Guidance, the Contractor certifies that neither it nor any of its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from performing audits by any Federal department or agency.
35. **Time is of the Essence:** Time is of the essence regarding all provisions of this contract.
36. **Governing Law and Venue:** This contract is governed by the laws of Montana. The parties agree that any litigation concerning this contract in which the State is named as a party must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana. Each party shall pay its own costs and attorney fees, except as otherwise allowed in this contract. The parties also agree that any litigation concerning this contract in which the State is not named as a party must be brought in the State of Montana Judicial District in the County in which the Entity is located. Each party shall pay its own costs and attorney fees, except as otherwise allowed in this contract.
37. **Notice:** All notices under this contract must be in writing and will be deemed given if delivered personally, by mail, certified, return receipt requested, or by e-mail. All notices will (a) if delivered personally, be deemed given upon delivery, (b) if delivered by mail, be deemed given upon receipt, or (c) if delivered by e-mail be deemed given upon receipt.
38. **Invalid Provision:** If any provision of this contract is held to be illegal or unenforceable and the parties' rights or obligations will not be materially and adversely affected, such provision will be (a) severed from the contract, (b) the contract will be interpreted as if such provision was never a part of the contract and (c) the remaining provisions will stay in effect.
39. **Authority:** Each party represents that the person signing this contract has the authority to bind that party.
40. **Entire Agreement and Amendment:** This contract and the attached Appendices contain the entire understanding and agreement of the parties. No modification or amendment of this contract is valid unless it is reduced to writing, signed by the parties, and made a part of this contract.



Contractor, Entity, and State have executed this Standard Audit Contract on the date first above written:

**Certified Public Accountant**

Denning, Downey and Associates CPA's P.C.  
Firm Name

By: \_\_\_\_\_  
Authorized Representative

Date: \_\_\_\_\_

**Governmental Entity**

Browning Public School  
Entity Name

By: \_\_\_\_\_  
Authorized Representative

Date: \_\_\_\_\_

**Montana Department of Administration,  
Local Government Services**

By: \_\_\_\_\_  
Approved By

Date: \_\_\_\_\_



### Initial or Sole Audit under this Contract

## Contact Person(s) and E-Mail Address(es)

## Contact Person(s) and E-Mail Address(es)

3. The reporting entity contains the following discretely presented component units: N/A.

4. Date Annual Financial Report or a trial balance will be available: December 31, 2021
5. Number of copies of audit report Contractor will provide to Entity: Three (3)
6. The Entity will provide clerical, equipment, and photocopying or reproduction services to the Contractor as follows:  
Photocopier  
Internet Access
7. The audit scope with regard to federal financial assistance received by the Entity for the above fiscal year(s) will be as indicated below:

☒ The audit will be a single audit conducted in accordance with the provisions of Uniform Guidance because the Entity expended a total amount of federal awards **equal to or in excess of \$750,000** during the fiscal year(s), or such other dollar amount (\$\_\_\_\_\_) that is effective for the fiscal year(s) being audited.

**OR**

☐ The audit will not be a single audit conducted in accordance with the provisions of Uniform Guidance and will not include audit coverage of any federal financial assistance in accordance with requirements of that federal regulation, because the Entity expended a total amount of federal awards of **less than \$750,000** during the fiscal year(s), or such other dollar amount (\$\_\_\_\_\_) that is effective for the fiscal year(s) being audited.

### **Certified Public Accountant**

Denning, Downey and Associates CPA's P.C  
Firm Name

By: \_\_\_\_\_  
Authorized Representative

Date: \_\_\_\_\_

### **Governmental Entity**

Browning Public School  
Entity Name

By: \_\_\_\_\_  
Authorized Representative

Date: \_\_\_\_\_



### **Montana Department of Administration, Local Government Services**

By: \_\_\_\_\_  
Approved By

Date: \_\_\_\_\_

## APPENDIX B

### Subsequent Audit under this Contract

---

---

**GOVERNMENTAL ENTITY (ENTITY):**

(406)338-2715 Address: Browning Public School  
Telephone: P.O. Box 610  
(Street Address or P.O. Box)  
Browning, MT 59417  
(City/Town) (Zip Code)  
Crystal Tail Feathers, crystalt@bps.k12.mt.us  
Contact Person(s) and E-Mail Address(es)

---

---

**PUBLIC ACCOUNTANT/ACCOUNTING  
FIRM (CONTRACTOR) :**

(406)756-6879 Address: Denning, Downey and Associates CPA's P.C.  
Telephone: P.O. Box 1957  
(Street Address or P.O. Box)  
Kalispell, MT 59903  
(City/Town) (Zip Code)  
Robert Denning CPA, CGFM, CFF, CITP, dda@ddaudit.com  
Contact Person(s) and E-Mail Address(es)

---

---

**1. Audit Period and Dates of Engagement:**

- A. This audit will cover the fiscal year(s) ending  
June 30, 2022, (and)           .  
(Month & Day) (Year) (Year)
- B. Date to commence audit work: January 1, 2023
- C. Date to submit final audit report  
to Entity and State: March 31, 2023

**2. Time and Price for Engagement:**

- A. Estimated total hours - 259
- B. Price for audit personnel \$ 27,135  
Price for Travel                       
Price for typing, clerical                       
and report preparation                       
Total price for this                       
engagement \$ 27,135

**3. The reporting entity contains the following discretely presented component units: N/A****4. Date Annual Financial Report or a trial balance will be available: December 31, 2022**



5. Number of copies of audit report Contractor will provide to Entity: Three (3)
6. The Entity will provide clerical, equipment, and photocopying or reproduction services to the Contractor as follows:  
Photocopier  
Internet Access
7. The audit scope with regard to federal financial assistance received by the Entity for the above fiscal year(s) will be as indicated below:

☒ The audit will be a single audit conducted in accordance with the provisions of Uniform Guidance because the Entity expended a total amount of federal awards **equal to or in excess of \$750,000** during the fiscal year(s), or such other dollar amount (\$\_\_\_\_\_) that is effective for the fiscal year(s) being audited.

**OR**

☐ The audit will not be a single audit conducted in accordance with the provisions of Uniform Guidance and will not include audit coverage of any federal financial assistance in accordance with requirements of that federal regulation, because the Entity expended a total amount of federal awards of **less than \$750,000** during the fiscal year(s), or such other dollar amount (\$\_\_\_\_\_) that is effective for the fiscal year(s) being audited.

**Certified Public Accountant**

Denning, Downey and Associates CPA's P.C  
Firm Name

By: \_\_\_\_\_  
Authorized Representative

Date: \_\_\_\_\_

**Governmental Entity**

Browning Public School  
Entity Name

By: \_\_\_\_\_  
Authorized Representative

Date: \_\_\_\_\_



**Montana Department of Administration,  
Local Government Services**

By: \_\_\_\_\_  
Approved By

Date: \_\_\_\_\_

## APPENDIX C

### Subsequent Audit under this Contract

---

---

#### GOVERNMENTAL ENTITY (ENTITY):

Browning Public School  
\_\_\_\_\_  
(406)338-2715 Address: P.O. Box 610  
Telephone: \_\_\_\_\_ (Street Address or P.O. Box)  
Browning, MT 59417  
\_\_\_\_\_, (City/Town) (Zip Code)  
Crystal Tail Feathers, crystalt@bps.k12.mt.us  
Contact Person(s) and E-Mail Address(es)

---

---

#### PUBLIC ACCOUNTANT/ACCOUNTING FIRM (CONTRACTOR) :

Denning, Downey and Associates CPA's P.C.  
\_\_\_\_\_  
(406)756-6879 Address: P.O. Box 1957  
Telephone: \_\_\_\_\_ (Street Address or P.O. Box)  
Kalispell, MT 59903  
\_\_\_\_\_, (City/Town) (Zip Code)  
Robert Denning CPA, CGFM, CFF, CITP, dda@ddaudit.com  
Contact Person(s) and E-Mail Address(es)

---

---

#### 1. Audit Period and Dates of Engagement:

- A. This audit will cover the fiscal year(s) ending  
June 30, 2023, (and) \_\_\_\_\_.  
(Month & Day) (Year) (Year)  
B. Date to commence audit work: January 1, 2024  
C. Date to submit final audit report  
to Entity and State: March 31, 2024

#### 2. Time and Price for Engagement:

- A. Estimated total hours - 259  
B. Price for audit personnel \$ 28,220  
Price for Travel \_\_\_\_\_  
Price for typing, clerical  
and report preparation \_\_\_\_\_  
Total price for this  
engagement \$ 28,220

#### 3. The reporting entity contains the following discretely presented component units: N/A\_\_\_\_\_

---



4. Date Annual Financial Report or a trial balance will be available: December 31, 2023
5. Number of copies of audit report Contractor will provide to Entity: Three (3)
6. The Entity will provide clerical, equipment, and photocopying or reproduction services to the Contractor as follows:  
Photocopier  
Internet Access
7. The audit scope with regard to federal financial assistance received by the Entity for the above fiscal year(s) will be as indicated below:

☒ The audit will be a single audit conducted in accordance with the provisions of Uniform Guidance because the Entity expended a total amount of federal awards **equal to or in excess of \$750,000** during the fiscal year(s), or such other dollar amount (\$\_\_\_\_\_) that is effective for the fiscal year(s) being audited.

**OR**

☐ The audit will not be a single audit conducted in accordance with the provisions of Uniform Guidance and will not include audit coverage of any federal financial assistance in accordance with requirements of that federal regulation, because the Entity expended a total amount of federal awards of **less than \$750,000** during the fiscal year(s), or such other dollar amount (\$\_\_\_\_\_) that is effective for the fiscal year(s) being audited.

### **Certified Public Accountant**

Denning, Downey and Associates CPA's P.C  
Firm Name

By: \_\_\_\_\_  
Authorized Representative

Date: \_\_\_\_\_

### **Governmental Entity**

Browning Public School  
Entity Name

By: \_\_\_\_\_  
Authorized Representative

Date: \_\_\_\_\_



### **Montana Department of Administration, Local Government Services**

By: \_\_\_\_\_  
Approved By

Date: \_\_\_\_\_