Principles and Guidelines

Approved by the MTSBA Membership: July 2024
Proposed for Further Approval in July 2025

The purpose of this document is two-fold. First, it is intended to provide a framework of governance for school districts throughout Montana. You, as school board trustees, can review these Principles and Guidelines and use them as a guide to fulfill the Peoples' goal of developing the full educational potential of each child in your district. Secondly, this document identifies key advocacy issues that MTSBA will pursue on behalf of trustees, school districts, and each student in Montana in the pursuit of educational excellence.

Principle I

Alignment of efforts and activities with the Peoples' goal of developing the full educational potential of all the state's citizens while guaranteeing equality of educational opportunity to each person of the state.

Relevant Guidelines for School Boards:

School boards should:

1. Embrace excellence in the governance of their local public schools. This can be accomplished through coherent and aligned governance devoted to visionary and strategic based leadership, setting high expectations for all, embracing a culture of collaboration and team-building, and other practices and strategies that are focused on developing the full potential of each child.
2. School boards should remain focused on the success of each child in carrying out their statutory obligation to collectively bargain in good faith with their public employees in compliance with 39-31-305, MCA. Maintaining a focus on the individualized success of each child will help ensure that limited resources are used in the most effective and efficient manner possible in pursuing the people's goal of developing the full potential of each child.
3. Employ staff who are highly qualified and engaging.
4. Embrace the concept of personalized learning for all students embracing individualized, applied, work-based and distance learning opportunities to meet each child on their own terms to ensure student success. Create a safe environment for all that is conducive to learning, free from bullying, harassment, and intimidation.
5. Encourage and welcome parental and family involvement to help understand each child's needs.
6. Advocate in every possible manner for adequate school funding to pursue and accomplish the Peoples' goal of developing the full educational potential of each student.

Relevant Guidelines for MTSBA Activities:

MTSBA must:

1. Advocate for adequate, rational and flexible funding for schools, sufficient to allow school districts to meaningfully comply with and provide an education worthy of the definition of the basic system of free quality schools in 20-9-309, MCA.

Principle II

Recognition of the shared authority for education between the community, locally elected school boards, and the bodies with constitutional authority and responsibility for education, including the Governor, the Montana Board of Public Education, and the Legislature.

Relevant Guidelines for School Boards:
School boards should:

1. Strongly embrace and advocate for the preservation of locally-made decisions within our communities.
2. Conscientiously use local, state, and federal resources to successfully educate students.
3. Engage, educate, and enlist the support of community members regarding the public schools' charge of developing the full educational potential of each child.

Relevant Guidelines for MTSBA Activities:
MTSBA must:

1. Advocate for supervision and control of the schools in each district by the community-elected board of trustees working in collaboration with the community in which they serve as the best way to ensure that all students are college, career and life ready, equipped to choose and thrive in a career of their choice.
2. Support and advocate for proper exercise of the Board of Public Education's and the Legislature's respective authority. The Board of Public Education is to exercise "general supervision" over the basic system of free quality schools, which should be exercised in a manner that does not intrude on the more specific and expansive authority of elected school boards to "supervise and control" education in each community. The Legislature is to define the basic system of free quality schools and fund it rationally, recognizing the Board of Public Education's accreditation standards which represent the minimum standards upon which the basic system of free quality schools is built.
3. Advocate for and enforce the constitutional guarantee and requirement that all publicly funded K-12 education in Montana be supervised and controlled by school boards publicly elected by the qualified electors in each district as required by Article X, Section 8 and Article IV, Section 2 of the Montana Constitution.

Principle III

Equality of educational opportunity for each person of the state.

Relevant Guidelines for School Boards:
School boards should:

1. Ensure that all resident children have full access to the programs and resources of their local public schools.
2. Ensure the opportunity to succeed for each child.

Relevant Guidelines for MTSBA Activities:
MTSBA must:

1. Work to provide adequate and equitable funding so that local boards can provide each child's access to programs and services.
2. Protect the equal right to respect, dignity, and opportunity for each child.

Principle IV

Recognition of and commitment to the preservation of the distinct and unique cultural heritage of American Indians.

Relevant Guidelines for School Boards:
School boards should:

1. Implement and maintain programs to preserve and educate its students regarding the cultural heritage and language of American Indian peoples and tribes.
2. Collaborate with American Indian peoples and tribes to ensure that educational programming is culturally relevant and in harmony with the corresponding efforts of tribal governments, education departments and tribal colleges.

Relevant Guidelines for MTSBA Activities:
MTSBA must:

1. Work to provide adequate funding for and state-wide commitment to Indian Education for All.
2. Recognize the negative impact that concentrated poverty can have on cultural preservation and pride and advocate for legislation to address and mitigate these negative impacts, including but not limited to advocacy for resources to address poverty, such as impact aid legislation.

Principle V

Balance between Church and State.

Relevant Guidelines for Trustees:
School boards should:

1. In accordance with our obligation of guarding the constitutional rights of families and children and in accordance with applicable court rulings, ensure an appropriate balance between freedom of religion and avoidance of endorsement of a particular religion.

Relevant Guidelines for MTSBA Activities:
MTSBA must:

1. Advocate for balance between the core religion issues expressed in the United States Constitution through the Establishment Clause, which bans the government from "establishing" a religion; and the Free Exercise Clause, which protects citizens' right to practice their religion. MTSBA shall use relevant holdings of the United States Supreme Court to guide its efforts and positions on these issues.
2. Advocate for continued support of student and family religious freedom.

Principle VI

Collaboration among and with our locally-elected school boards.

Relevant Guidelines for Trustees:

School boards should:

1. Recognize the shared bond among and autonomous authority of locally-elected school boards in exercising supervision and control of their respective public schools pursuant to Article X, Section 8 of the Montana Constitution;
2. Recognize the value of outreach to and collaboration among our locally-elected school boards and school districts;
3. Recognize and respect the potential for divergence in the interests of different area school boards when each are exercising supervision and control of their respective local public schools;
4. Recognize the dilution of effectiveness in MTSBA's advocacy when based on simple majorities rather than broad consensus among our member school boards.
5. Ensure open lines of communication among the constitutionally empowered trustees in areas throughout the state.
6. Work to resolve differences among area school boards and school districts through local solutions whenever possible.
7. Work to isolate the impact of division among school districts in a given area on overall unity and resulting effectiveness within and among state education organizations representing local school boards and their staff.

Relevant Guidelines for MTSBA Activities:

MTSBA must:

1. Understand, respect and equitably balance the interests of our member school boards while ensuring that the voices of all our members are heard and acknowledged in MTSBA's advocacy.
2. Maintain a focus on and reserve its resources to address issues of statewide impact and concern in its advocacy and maintain neutrality on issues of limited statewide impact that divide our members. When issues of limited statewide impact involve division among our members, MTSBA advocacy must be limited to providing information to all of our affected members on an equitable and neutral basis.
3. Identify and attempt to resolve division within our membership whenever possible through neutral facilitation of dialogue and transparent provision of information to its members.

Appendix "A" To MTSBA's Principles and Guidelines References for MTSBA Principles & Guidelines

Principle I --

- Montana Constitution, Article X, section 1
- Core Purpose of MTSBA, Strategic Plan
- Core Purpose of the basic system of free quality schools, K-12 Vision Project

Principle II –

- Montana Constitution, Article X, Section 8, Locally-Elected Trustees
- Montana Constitution, Article X, Section 9, Board of Public Education
- Core Values, MTSBA
- Core Values, K-12 Vision Project

Principle III –

- Montana Constitution, Article X, Section 7
- MTSBA Core Values (balance in treating and addressing needs of members)

Principle IV –

- Montana Constitution, Article X, Section 1(2)
- MTSBA Core Values
- K-12 Vision Project Core Values

Principle V –

- MCA, 20-5-109
- *Kennedy v. Bremerton School District* (2022) and other U.S. Supreme Court cases
- *Kaptein v. Conrad*

Principle VI –

- Montana Constitution, Article X, Section 8, elected trustees
- MTSBA Core Value: "We understand and respect the variety of circumstances in which our members govern, and the variety of perspectives held by our members. We strive to meet the needs of and balance the interests of each of our members."
- MTSBA Board of Directors Goal Area 1 - Engaged and United Advocacy For *Each Child* in Every Public School

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The Foundational Elements of MTSBA's Organizational DNA

Synthesized from common themes/fused elements reflected in the MTSBA Member Adopted Principles and Guidelines, the MTSBA Board's Strategic Plan, and the MTSBA Board's Specific, Methodical and Consistent Practices Recipe.

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Key Sources of Authority for MTSBA

MTSBA Core Purpose:

To develop the full potential of each child through school board leadership.

MTSBA Core Values:

Visionary Leadership - We embrace vision and innovation in all that we do, continually adapting to the changing needs, wants and preferences of our members.

Advocacy - We advocate for EACH child in EVERY public school in Montana.

Empowered School Boards - We empower community engaged, elected school boards in their Constitutional mission to fulfill the potential of each child.

Member-Centric - We understand, respect, and balance the interests of each of our members.

Constitutional Guardian - We guard and defend all Article X constitutional guarantees for each child.

American Indian Peoples and Tribes - We help our members preserve the history and cultural integrity of American Indian Peoples and Tribes.

MTSBA Specific, Methodical and Consistent (SMaC) Practices:

1. We focus on assisting our members with reaching the full potential of EACH CHILD;
2. Our Strategic Plan drives the work of the Board and the staff. We always look at what's coming up on the horizon that impacts our members, planning for changes and aligning our budgetary priorities with our strategic objectives;
3. We integrate knowledge-based decision-making in all member discussions/decisions, and we must ensure expanded involvement of our members in our decision-making processes;
4. We strive to implement solutions that collectively benefit our members, and which do not divide or disengage our membership, exercising fairness and balance in addressing the diverse needs of our members;
5. Each Director meaningfully participates and engages in the governance of the Association, effectively communicates with the membership and serves as an ambassador of MTSBA's programs and services;
6. We encourage leadership of individual champions on the Board of Directors who rise above and beyond the call of duty and inspire those serving with and for them;
7. The Board and staff work in collaboration for the collective benefit of our membership now and into the future;
8. We strategically devote the time and resources necessary to ensure outcomes consistent with our core purpose;
9. We foster opportunities to develop personal relationships that strengthen the organization and enable us to meet challenges more effectively;
10. We continually adapt and innovate to meet the needs, wants and preferences of our members, to help our members succeed in promoting initiatives that support each student's success;
11. We instill trust and openness in our relations with each other and with our membership;
12. We prioritize professional development for the Board and staff;
13. We take the lead in advocating for public education and EACH child served by our membership;
14. We advocate for and educate our members on the innovations that advance personalized learning for EACH child and efficient district operations;
15. We align our programs and services with our Core Purpose and Core Values; and
16. We deliberately choose and conform to a governance model of "representative of".

"Representative of": Board members who view their role as ensuring that the views, beliefs, values, and self-interests of the constituencies they know the best are on the table as part of the conversation. They voice interests and opinions of those they know best and vote on behalf of the best overall interests of the orgonization. We avoid a "representative for" model, by which board members see themselves as the elected representatives of a particular constituency. They voice only the self-interests and opinions of that constituency and vote only on behalf of that constituency's interests.

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In Carrying Out our Work on Behalf of Our Members, the Montana School Boards Association:

Sees the world through the eyes of the elected trustee and dedicates its programs and services to helping school boards develop the full potential of EACH child in every public school in Montana.

Operates from a nonpartisan orientation in all that it does, determining its support for and opposition to proposals on the basis of alignment with strategic/member adopted priorities, and without regard to the positions of political parties or ideology regarding such proposals.

Is driven by its strategic planning and related processes and tightly aligns all that it does to the plan. We fully integrate strategy into everything we do.

Generates its success through the leadership of fully engaged, knowledgeable and selfless directors who work for the benefit of, are committed to understanding and who are devoted to equitably balancing and fulfilling the interests of all member districts. Our directors set aside the specific interests of their own school district and understand their obligation to serve all school districts in fulfilling the potential of EACH child in every public school.

Works for the collective benefit of its members, striving to create clarity and consensus regarding its key initiatives and exercising fairness and balance in addressing the diverse needs of our members.

Executes its strategy through advocacy, services, and innovation, demonstrating visionary leadership in and striving for excellence in all that we do.

Guards the constitutional guarantees afforded children in Article X of the Montana Constitution, including but not limited to:

- Opportunities for each child to fulfill their educational potential;
- The right of each child to access a basic system of free quality schools in every Montana community, adequately and equitably funded;
- A balanced structure of checks and balances between elected school boards, the Board of Public Education, and the Legislature; and
- A commitment to education regarding the preservation, appreciation and understanding of American Indian culture.

Operates with Transparency and Trust, providing our members with ready access and an open invitation to observe and hold us accountable for conducting ourselves in a manner that is consistent with our principles and to measure our successes and failures in the context of our adherence to the norms of behavior that have been defined and adopted by the MTSBA Board of Directors and its member school boards throughout the state.

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MTSBA Member-Adopted Principles and Guidelines:

Principle I

Alignment of efforts and activities with the goal of developing the full educational potential of all the state's citizens while guaranteeing equality of educational opportunity to each person of the state

Principle II

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Principle III

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About the Impressive Contributions of our Members

The founding of Montana's public schools pre-dates Montana's statehood by 25 years.

Creation of a system of public schools was one of the first actions of the First Montana Territorial Legislative Assembly in 1864.

Since the first public school opened in Virginia City in 1865, **Montana's public schools have been preparing Montana children for a future of success over the last 150 years,** governed by community-elected trustees all along the way.

Over 1,450 elected trustees in Montana volunteer nearly 750,000 hours each year in pursuit of increased student achievement, taking on complex and sometimes controversial challenges **with no compensation whatsoever.**

The **combined annual volunteer service of our members would take an individual 86 continuous years, working 24 hours per day,** to match.

When we say that our members provide a lifetime of service each year, we mean that literally.

Our members' annual contributions are **equivalent to 360 FTE positions provided free of charge each year,** providing taxpayers **over $14 million in savings each year** compared to what those positions would cost if filled by employees.

Our **members oversee the employment of over 25,000 public employees** who educate, support, transport supervise, feed and protect the safety of over **155,000+ children,** in virtually every community in the state, every day of the week throughout the school year.

Our boards govern for **excellence and efficiency in equal measures** and the results of their efforts speak for themselves.

Montana's public schools provide performance that compares favorably by any measure, nationally or even internationally and our **members deliver these results for below average costs** when compared to other states in our Nation.

Our members **ensure preservation and fulfillment of important constitutional guarantees afforded Montana's citizens.**

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FY27 Dues Revenue Estimate

Obligation: As per our bylaws, the Executive Director must estimate dues revenue and present it to the Board of Directors for approval before a vote of the membership. The MTSBA Board of Directors approved the FY27 Dues Revenue Estimate.

Background: Dues were frozen for FY26, resulting in a $60,000 reduction in revenue compared to what would have been generated by the formula. This freeze was the first of its kind since implementation of the formula in 2004.

Recommendation for FY27: Restore dues in line with spending-sensitive formulas, estimating an increase in dues as follows:

- Current Average Member Spending from FY20-23: $1,792,230,040
- Current Average Member Spending from FY21-24: $1,850,301,527
- Percentage increase in Member Spending of 3.24%
- Projected Increase in Dues Revenue:
    - Total Estimated MTSBA Dues Revenue for FY27: $1,159,292
    - Total Estimated Increase in Dues Compared to FY26: $30,318
    - Percentage Increase in Dues Revenue: 2.69%

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Rick Cummings, President Elect

Rick Cummings has served as a trustee on the Cascade School Board for over 20 years. Dates served include 2002-2018 and 2020 to present. He has served on the MTSBA board from 2014 to 2018 and from 2022 to present and is the acting President-Elect, subject to membership approval.

Rick is a farmer/rancher on a family farm East of Cascade. Along with his wife, Nanette, they continue to farm the same land Rick's great-grandfather homesteaded in 1906.

Rick is a graduate of Montana State University - Bozeman with a degree in agricultural business and minors in economics and philosophy.

Rick and his wife are proud parents of two grown children. Their son Cory lives in Washington, DC with his wife Katherine and their five-year-old daughter Margaret. Cory works for FEMA and Katherine works for the USDA. Their daughter Kacie recently moved to Oakland, CA to begin her general surgery residency.



Jennifer Hoffman, Vice President

Jennifer Hoffman, a lifelong resident of Billings, proudly serves as a trustee for Billings Public Schools since 2019. Jennifer currently holds the position of board chair. In addition to her role on the local board, she has been a member of the Montana School Boards Association (MTSBA) Board since 2022, where she currently serves as acting Vice President, subject to membership approval.

Outside of her professional commitments, Jennifer is a dedicated mother to two teenagers, Payton and Mason. In her leisure time, she enjoys a variety of hobbies, including baking delicious treats, tending to her garden, diving into a good book, and cherishing moments with her family and their two adorable Golden Doodles, Charlie and Simon.

DEPARTMENT OF ADMINISTRATION

STANDARD AUDIT CONTRACT

This Contract is made this 29th day of May, 2025, by and among

Strom & Associates, P.C.

Certified Public Accountant
("Contractor"),

East Helena School District No. 9

Governmental Entity
("Entity"),

and the **Montana Department of Administration, Local Government Services, ("State")**, acting under the authority of Title 2, Chapter 7, Part 5, of the Montana Code Annotated. **The State's mailing address, phone number and e-mail address are P.O. Box 200547, Helena, MT 59620-0547; (406) 444-9101; and LGSPortalRegistration@mt.gov.**

1. **Effective Date: This contract is not effective with respect to any party until it is approved and signed by the State, as required by Section 2-7-506(3), MCA. The Contractor may not begin any audit work until the State gives this approval.** If the Contractor begins work before the State's approval of the contract and the State subsequently does not approve the contract, the Contractor is not entitled to receive any compensation for the work performed.

2. **Audit Period and Payment**: This contract covers the following audit period(s):
July 1, 2024 to June 30, 2027.

   A. The Entity shall pay the Contractor for the audit work on the basis of time and necessary out-of-pocket expenses, which will not exceed:

   $ 23,100 for initial (or sole) audit covering 07/01/2024 to 06/30/2025.
   $ 23,100 for subsequent audit covering 07/01/2025 to 06/30/2026.
   $ 23,100 for subsequent audit covering 07/01/2026 to 06/30/2027.

   The Entity shall pay the fees listed in Appendices A, B & C, as applicable, which are attached hereto and incorporated by reference. Any change to the audit fees requires a contract amendment.

   B. The contract payments do not include the cost of additional work that may be required if the Contractor discovers a defalcation or material irregularity. Any change in the scope of the audit services to be provided under this contract requires a contract amendment.

   C. The Contractor may submit interim bills to the Entity each month, based upon the estimated percentage of contract completion. The Entity may retain ten percent (10%) of each of these estimates until the Contractor has delivered the final audit report, at which time the Entity shall release the amount retained.

3. **Peer Review**: The Contractor shall provide the Entity with a copy of its most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received

during the contract period.

4. **Audit Scope**: The Contractor shall perform the following:

A. The Contractor shall conduct the audit in accordance with (i) generally accepted auditing standards adopted by the American Institute of Certified Public Accountants and (ii) the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

The Contractor shall opine on the presentation of the Entity's financial statements in accordance with the Entity's applicable financial reporting framework prescribed at Section 2-7-504, MCA.

If the Contractor's opinion on the Entity's financial statements is other than unmodified, the Contractor shall fully discuss the reasons with the Entity in advance of issuing a report. If, for any reason, the Contractor is unable to complete the audit or is unable to form or has not formed an opinion, the Contractor may decline to express an opinion or decline to issue a report as a result of the engagement.

B. The Contractor shall perform tests of internal control over financial reporting. Findings resulting from these tests shall be reported in accordance with Government Auditing Standards

C. The Contractor shall perform tests of the Entity's compliance with provisions of laws, regulations, contracts, and grant agreements. The Contractor shall use the local government compliance supplement prepared by the State, as required by Section 2-7-505(2), MCA, in conjunction with Government Auditing Standards to determine the compliance testing to be performed during the audit. Findings resulting from these tests shall be reported in accordance with Government Auditing Standards. If the Contractor becomes aware of fraud, waste or abuse, the Contractor shall report related findings in accordance with Government Auditing Standards. The Contractor shall perform tests, including but not limited to the following, to determine whether:

(1) the Entity has complied with all appropriate statutes and regulations, as required by Section 2-7-502, MCA;

(2) the Entity has complied with the provisions of each of its debt covenants and agreements;

(3) if the audit is of a county, city or town, the Entity has retained money in a local charge for services fund contrary to the requirements of Sections 17-2-301 through 17-2-303, MCA, as required by Section 17-2-302, MCA. **The Contractor shall report any findings of noncompliance with the provisions of these statutes, regardless of materiality**; and

(4) if the audit is of a county or consolidated city/county government, the Entity has complied with state laws relating to receipts and disbursements of agency or custodial funds maintained by the Entity, as required by Section 2-7-505, MCA.

If required by the State, the Contractor shall provide documentation of testing performed to comply with (3) and (4), above.

D. When applicable, the audit must meet all requirements of the Federal Single Audit Act of 1984, as amended, and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). If these federal regulations are amended, the amended regulations will prevail.

E. The audit scope with regard to federal financial assistance for each fiscal year covered by this contract must be as specified in Appendices A, B and C. Any change to the audit scope with regard to federal financial assistance requires a contract amendment.

F. Except as provided below, for purposes of determining the scope of the audit, the Entity is considered the financial reporting entity as defined in the Entity's applicable financial reporting framework prescribed at Section 2-7-504, MCA. This provision does not preclude the Entity from engaging a different audit firm for the audit of a segment, fund or component unit of the Entity. However, both the Entity and Contractor shall notify the State whenever the Entity elects to engage a different audit firm for the audit of a segment, fund or governmental component unit. Such additional audit must be contracted for on the State's Standard Audit Contract, and the audit firm shall be on the Roster of Independent Auditors authorized to conduct audits of Montana local governments that is maintained by the State.

If this contract is for an audit of a segment, fund, or governmental component unit of the primary government, the Entity is considered to be the segment, fund or component unit.

G. Any school district audit must also include auditing procedures sufficient to provide an opinion as to whether the following supplemental information is fairly stated in relation to the basic financial statements:

(1) the school district's enrollment for the fiscal year or years being audited as reported to the Office of Public Instruction in the Fall and Spring "Student Count for ANB" reports; and

(2) when applicable, the extracurricular funds for pupil functions.

H. If the Entity is a school district or associated cooperative, the Contractor shall contact the State Office of Public Instruction and the county superintendent of schools before or during the audit of the Entity. The Contractor shall determine whether those offices are aware of potential financial or legal compliance problems relating to the Entity that could affect the scope of the audit.

I. The Contractor shall immediately notify the Entity and the State in writing of any material irregularities it discovers. If the Entity is a school district or special education cooperative, the Contractor shall also immediately notify the State Office of Public Instruction in writing. To notify the State, Contractors shall email LGSPortalRegistration@mt.gov to the attention of the Local Government Services Bureau Chief. To notify the State Office of Public Instruction, Contractors shall email OPIAuditReport@mt.gov to the attention of the OPI Auditor.

J. The Contractor shall notify the Entity of all proposed audit adjustments and, if the Entity concurs, shall obtain written acceptance of these proposed adjustments. The State reserves the right to request documentation of these proposed and accepted audit adjustments.

5. **Entity's Responsibilities**: The Entity shall be responsible for:

A. its basic financial statements, including note disclosures;

B. all supplementary information required by its applicable financial reporting framework prescribed at Section 2-7-504, MCA and by provisions of this contract;

C. establishing and maintaining effective internal control over financial reporting, including internal controls related to the prevention and detection of fraud;

D. ensuring that it complies with the laws, regulations, contracts and grant agreements applicable to its activities;

E. making all financial records and related information available to the Contractor;

F. the schedule of expenditures of federal awards required for audits conducted under Uniform Guidance;

G. approving all proposed audit adjustments before posting, if the Entity concurs with the proposed adjustments;

H. adjusting the financial statements and accounting records to correct material misstatements and to agree with the audited financial statements; and

I. providing the Contractor, at the conclusion of the audit engagement, with a letter that confirms certain representations made during the audit, including an affirmation that the effects of any uncorrected misstatements aggregated by the auditor during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

6. **Dates for Annual Financial Report or Trial Balance of Accounts**: The Entity shall prepare its annual financial report or a trial balance of accounts no later than the dates specified in Appendices A, B and C. If the Entity is unable to prepare its annual financial report or trial balance by the date specified in the Appendices, the Entity shall notify the Contractor and the State in writing prior to the specified dates.

7. **Beginning the Audit**: The Contractor shall begin the audit field work based on the schedule established in Appendices A, B and C. Under Section 2-7-503(3)(a), MCA, all audits must commence within nine months from the close of the last fiscal year of the audit period.

8. **Completion of Audit**: The Contractor shall deliver the audit report to the Entity and the State, based on the schedule established in Appendices A, B and C. If the Contractor cannot deliver the audit report to the Entity and the State on the date specified in the Appendices, the Contractor shall notify the Entity and the State in writing of that fact, and the reason(s) for the delay. Under Section 2-7-503(3)(a), MCA, all audits must be completed and the reports issued within one year from the close of the last fiscal year covered by the audit. If the audit is conducted in accordance with the provisions of Uniform Guidance, the Contractor shall complete the audit and issue the audit report within the time period required by that federal regulation, unless a longer period has been agreed to in advance by the federal cognizant or oversight agency for audit. If the Entity has requested and received an extension of the due date of the Uniform Guidance from a federal agency, the Entity shall submit a copy of the approved extension to the State.

9. **Due Date Extension**: The State may grant an extension to the Entity for filing the audit report beyond the one- year due date provided for in paragraph 8, above. To do so, the Entity shall make a request to the State in writing and shall show good cause for the delinquency or demonstrate that the failure to meet the deadline provided for in paragraph 8, above, was the result of circumstances beyond the Entity's control. The State will determine good cause or circumstances beyond the Entity's control based on the facts of each case.

10. **Presentation of Audited Financial Statements**: The final audit report must contain basic financial statements and supplementary information consistent with the applicable financial reporting framework prescribed at Section 2-7-504, MCA. In addition, other supplementary information required by provisions within this contract and by Uniform Guidance must also be included, if applicable.

A. The final audit report must also contain any supplementary or other information as agreed upon by the Entity and Contractor.

B. If the Entity's accounting records or other circumstances do not permit financial statements to comply with the applicable financial reporting framework prescribed at Section 2-7-504, MCA, the Contractor shall notify the State of those conditions and describe the financial statements that will be presented. The applicable auditor's reports must be modified in accordance with professional standards to reflect a departure from the applicable financial reporting framework.

C. If the audit is of a school district with separate elementary and high school district general funds, the general funds must be combined as a single major fund. All other funds must be separately considered for major fund criteria.

D. If the audit is a biennial audit covering two years, the Contractor shall present complete financial statements as specified above for each year covered by the audit. However, note disclosures for both fiscal years may be in one set of notes, with separate fiscal year disclosures as necessary. The two years must be presented under one audit report cover and opined upon in one Independent Auditor's Report.

11. **Auditor's Reports**: All audit reports must contain the following auditor's reports, which must comply with applicable professional standards in effect for the fiscal year or years being audited:

A. a report on the financial statements of the Entity;

B. a report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with Government Auditing Standards.

C. a reference to a report disclosing any deficiencies in internal control or instances of noncompliance with provisions of contracts or grant agreements or abuse that have a less than material effect on the financial statements but warrant the attention of management or those charged with governance. This report must be referred to in the report required in 11.B. above.

D. a report on any supplementary or other information presented in the audit report. This report must be given in an "other matters" paragraph(s) of the auditor's report on the financial statements (11.A. above), and shall identify, if applicable:

(1) Any Required Supplementary Information (RSI), as required by the Governmental Accounting Standards Board.

(2) Any Supplementary Information (SI) included in the report to comply with provisions of laws, regulations, contracts, or grant agreements. For the following schedules, the Contractor shall report on whether the information is fairly stated, in all material respects, "in relation to" the financial statements as a whole, unless the condition of the financial records do not allow the auditor to render such an opinion:

a) schedule of school district "Student Count for ANB" required in paragraph 13.A.;

b) schedule of school district extracurricular fund financial activities required in paragraph 13.B.;

c) schedule of expenditures of federal awards required by Uniform Guidance and in paragraph 12.A.; and

d) Any supplementary information for financial reporting frameworks required by A.R.M. 2.4.401.

(3) Any Other Information (OI) for financial reporting frameworks required by A.R.M. 2.4.401.

(4) Any Other Information (OI) that is included in the audit report, if deemed appropriate in accordance with professional standards.

E. a report disclosing the action taken by the Entity to correct any deficiencies or implement any recommendations contained in the prior audit report. This report must be in a format that specifically identifies, by title or summary, each deficiency or recommendation contained in the prior audit report and the action taken by the Entity on each such deficiency or recommendation.

F. If the Contractor includes audit findings in the reports referenced in 11.B. and 11.C. above, the views of Entity officials and their planned corrective actions must also be included, as required by Government Auditing Standards, if they are available at the time the Contractor submits the audit report to the State. If the views and planned corrective actions are not available at that time, the Contractor shall so indicate in the reports.

12. **Single Audits**: All audit reports for single audits done in accordance with Uniform Guidance must contain the following:

A. a schedule of expenditures of federal awards, prepared by the Entity, which must contain all elements required by Uniform Guidance.

B. a report on the schedule of expenditures of federal awards. This report may be combined with other reports as provided by Uniform Guidance and professional standards. This report must comply with applicable professional standards in effect for the fiscal year or years being audited.

C. a report on compliance for each major program and a report on internal control over compliance in accordance with Uniform Guidance. These reports must refer to the separate schedule of findings and questioned costs described in paragraph 12.D. of the contract and must comply with applicable professional standards in effect for the fiscal year or years being audited.

D. a schedule of findings and questioned costs which must include the information required by Uniform Guidance.

E. an Entity-prepared document, separate from the Contractor's findings, that describes the Entity's corrective action plan in accordance with Uniform Guidance for each current-year audit finding, if that plan is available at the time the Contractor submits the audit report to the State. This document should be submitted on Entity letterhead and should include a corrective action plan for each finding, regardless whether the finding is identified in accordance with Uniform Guidance or Government Auditing Standards.

13. **School Districts**: School district audit reports must include the following as supplementary information/schedules:

A. a schedule of the district's enrollment as reported to the Office of Public Instruction for the fiscal year or years being audited. The schedule must contain the enrollment both as reported in the Fall and Spring "Student Count for ANB" reports and as documented by the school district's enrollment records; and

B. a detailed schedule of extracurricular fund financial activities.

14. **Local Governments Reporting on Non-GAAP Financial Reporting Framework**: Audit reports of local governments that report on a non-GAAP financial reporting framework as provided in A.R.M. 2.4.401 must include any Supplementary Information and Other Information required in that administrative rule.

15. **Written Report to Entity**: The Contractor shall render a single, written report for the Entity audited, including the reports and schedules referenced in paragraphs 11 through 14 above.

16. **Exit Conference**: Before submitting the final audit report, the Contractor shall hold an exit review conference in which the audit results are discussed with those charged with governance and other appropriate Entity officials and employees. The Contractor shall ensure that all members of the governing body and key members of management are notified of this exit conference. The Contractor further agrees that before the exit conference, it will not discuss the audit findings with anyone other than the Entity or the State. Once the Contractor delivers the final audit report to the Entity, the report is deemed to be a public record.

17. **Report Distribution**: The Contractor and Entity shall file copies of the audit report as specified below:

A. The Contractor shall provide the Entity with the number of copies of the audit report specified in Appendices A, B and C. The cost of those copies is included in the total price for the engagement as set out in paragraph 2.A., above, and in the Appendices.

B. The Contractor shall submit one of the copies referred to in 17.A., above, to the attorney for the Entity.

C. Upon request by the Entity, the Contractor shall provide additional copies of the audit report at a price per copy agreed upon by the Entity and Contractor.

D. The Contractor shall provide the State with a text-searchable, unlocked, and unencrypted electronic copy of the audit report at no charge. The report must be submitted to the State at the same time when the Contractor delivers the final audit report to the Entity. Any report delivered separately to management or those charged with governance identifying findings and recommendations as described in 11.C. above must be submitted electronically at the same time the audit report is submitted. The Contractor shall advise the State, at the time of submitting the electronic report, of the date the final report was delivered to the Entity, the date of the audit report, the actual number of hours the Contractor spent conducting the audit, the total audit fee billed the Entity, and whether the audit was conducted in accordance with the provisions of Uniform Guidance.

E. If the Entity is a school district or associated cooperative, the Contractor shall provide at no additional charge copies of the audit report to the Office of Public Instruction, the county superintendent of schools, and the county attorney.

F. If the Entity is a city or town fire department relief association disability and pension fund, the Contractor shall provide at no additional charge one copy of the audit report to the city or town clerk.

G. If the audit is a single audit conducted in accordance with the provisions of Uniform Guidance, the 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

Strom & Associates, P.C.
Firm Name

By: Paul A Strom
Authorized Representative

Date: May 29, 2025

Governmental Entity

East Helena School District No. 9
Entity Name

By: _____
Authorized Representative

Date: _____

Montana Department of Administration,
Local Government Services

By: _____
Approved By

Date: _____

APPENDIX A

Initial or Sole Audit under this Contract

GOVERNMENTAL ENTITY (ENTITY): East Helena School District No. 9

406.227.7700 (Telephone:) Address: P.O. Box 1280 (Street Address or P.O. Box)

East Helena (City/Town), MT 59635 (Zip Code)

Jill Hoogerheide (jhoogerheide@ehps.k12.mt.us)
Contact Person(s) and E-Mail Address(es)

PUBLIC ACCOUNTANT/ACCOUNTING FIRM (CONTRACTOR) : Strom & Associates, P.C.

(406) 252-2765 (Telephone:) Address: 2728 Colonial Drive, Suite 2023-E (Street Address or P.O. Box)

Helena (City/Town), MT 59601 (Zip Code)

Paul Strom or Tom Hayes (audit@stromcpa.net)
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 *(Month & Day)*, 2025 *(Year)* (and _____ *(Year)*).
   B. Date to commence audit work: January, 2026
   C. Date to submit final audit report to Entity and State: June 30, 2026

2. Time and Price for Engagement:

   A. Estimated total hours - 270

   B. Price for audit personnel $ 23,100
      Price for Travel
      Price for typing, clerical and report preparation
      Total price for this engagement $ 23,100

3. The reporting entity contains the following discretely presented component units: NONE

4. Date Annual Financial Report or a trial balance will be available: September, 2025

5. Number of copies of audit report Contractor will provide to Entity: Three

6. The Entity will provide clerical, equipment, and photocopying or reproduction services to the Contractor as follows:
As needed

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:

X 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 (**$1,000,000 effective FY 2026, for June 30 year-ends**) 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 (**$1,000,000 effective FY 2026, for June 30 year-ends**) that is effective for the fiscal year(s) being audited.

Certified Public Accountant

Strom & Associates, P.C.
Firm Name

By: Paul D Strom
Authorized Representative

Date: May 29, 2025

Governmental Entity

East Helena School District No. 9
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): East Helena School District No. 9

406.227.7700 (Telephone:) Address: P.O. Box 1280 (Street Address or P.O. Box)

East Helena (City/Town), MT 59635 (Zip Code)

Jill Hoogerheide (jhoogerheide@ehps.k12.mt.us)
Contact Person(s) and E-Mail Address(es)

PUBLIC ACCOUNTANT/ACCOUNTING FIRM (CONTRACTOR) : Strom & Associates, P.C.

(406) 252-2765 (Telephone:) Address: 2728 Colonial Drive, Suite 2023-E (Street Address or P.O. Box)

Helena (City/Town), MT 59601 (Zip Code)

Paul Strom or Tom Hayes (audit@stromcpa.net)
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 (*Month & Day*), 2026 (*Year*) (and _____ (*Year*)).
   B. Date to commence audit work: January, 2027
   C. Date to submit final audit report to Entity and State: June 30, 2027

2. Time and Price for Engagement:

   A. Estimated total hours - 270

   B. Price for audit personnel $ 23,100
   Price for Travel _____
   Price for typing, clerical and report preparation _____
   Total price for this engagement $ 23,100

3. The reporting entity contains the following discretely presented component units: NONE

4. Date Annual Financial Report or a trial balance will be available: September, 2026

5. Number of copies of audit report Contractor will provide to Entity: Three

6. The Entity will provide clerical, equipment, and photocopying or reproduction services to the Contractor as follows:
As needed

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:

X 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 (**$1,000,000 effective FY 2026, for June 30 year-ends**) 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 (**$1,000,000 effective FY 2026, for June 30 year-ends**) that is effective for the fiscal year(s) being audited.

Certified Public Accountant

Strom & Associates, P.C.
Firm Name

By: Paul D Strom
Authorized Representative

Date: May 29, 2025

Governmental Entity

East Helena School District No. 9
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): East Helena School District No. 9

406.227.7700 (Telephone:) Address: P.O. Box 1280 (Street Address or P.O. Box)

East Helena (City/Town), MT 59635 (Zip Code)

Jill Hoogerheide (jhoogerheide@ehps.k12.mt.us)
Contact Person(s) and E-Mail Address(es)

PUBLIC ACCOUNTANT/ACCOUNTING FIRM (CONTRACTOR) : Strom & Associates, P.C.

(406) 252-2765 (Telephone:) Address: 2728 Colonial Drive, Suite 2023-E (Street Address or P.O. Box)

Helena (City/Town), MT 59601 (Zip Code)

Paul Strom or Tom Hayes (audit@stromcpa.net)
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 *(Month & Day)*, 2027 *(Year)* (and _____ *(Year)*).
   B. Date to commence audit work: January, 2028
   C. Date to submit final audit report to Entity and State: June 30, 2028

2. Time and Price for Engagement:

   A. Estimated total hours - 270

   B. Price for audit personnel $ 23,100
      Price for Travel _____
      Price for typing, clerical and report preparation _____
      Total price for this engagement $ 23,100

3. The reporting entity contains the following discretely presented component units: NONE

4. Date Annual Financial Report or a trial balance will be available: September, 2027

5. Number of copies of audit report Contractor will provide to Entity: Three

6. The Entity will provide clerical, equipment, and photocopying or reproduction services to the Contractor as follows:
As needed

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:

X 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 (**$1,000,000 effective FY 2026, for June 30 year-ends**) 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 (**$1,000,000 effective FY 2026, for June 30 year-ends**) that is effective for the fiscal year(s) being audited.

Certified Public Accountant

Strom & Associates, P.C.
Firm Name

By: Paul D Strom
Authorized Representative

Date: May 29, 2025

Governmental Entity

East Helena School District No. 9
Entity Name

By: _____
Authorized Representative

Date: _____

Montana Department of Administration,
Local Government Services

By: _____
Approved By

Date: _____

RBHI
RURAL BEHAVIORAL HEALTH INSTITUTE
IMPROVING MENTAL HEALTH CARE FOR RURAL YOUTH

MEMORANDUM OF UNDERSTANDING

between

Rural Behavioral Health Institute (RBHI)

AND

East Helena Public Schools

The entities listed above may collectively be referred to as the parties to this MOU.

I. PURPOSE:

The purpose of this Memorandum of Understanding (MOU) is to document a framework of cooperation to implement digital suicide risk/mental health screening among students in the **East Helena Public Schools** in accordance with this MOU.

Background

The Montana youth suicide rate has been steadily increasing for over a decade indicating that current programming is not adequately addressing this devastating public health problem. RBHI's Screening Linked to Care (SLTC) is an innovative process for the digital assessment of self-reported suicide risk screening and referral to same-day mental health care in rural schools. The process is shared with and adapted by schools to fit their individual needs. The screener is administered on school computers, tablets, or students' smartphones to students with parental consent for screening and follow-up care. Students reporting recent suicidality (past-month suicidal ideation with an intention to die/plan to die, past 3-month behaviors [attempt or preparatory activities]) are considered at high risk of suicide. Those students are then connected with same-day mental health care at the school, either in-person care by a school-contracted provider or telepsychiatry, provided by outside providers contracted by RBHI (licensed mental health clinician) and approved by the school to deliver care. Same-day, free care ensures those students needing mental health care receive it without barriers of cost, scheduling, or travel common in rural regions.

Purpose

This MOU will support:

- Planning for the use of digital suicide risk/mental health screening in schools,
- Training of school staff to implement the screener,
- Provision of mental health providers to support students identified with elevated suicide risk as needed,
- Implementation of screening in specified grades/classes, and
- Rapid follow-up for all students identified with suicide risk.

The above goals will be accomplished by undertaking the following activities:

Rural Behavioral Health Institute agrees to provide the following pro-bono:

- Access to the digital screener via MERET Solutions, LLC for all students the school wishes to screen
- One screening Identification Number (SIN) per student to use instead of names on screener to protect privacy/confidentiality (Note: Only designated people at the schools should be able to link a student's name with their results. RBHI and MERET Solutions will never see identifiable data.)
- The following assistance to schools:
    - Information for students and parents about screening (e.g., parental consent forms and information packets)
    - Training in screening delivery and interpretation of results
    - Screening logistical support
    - Identification of mental health providers to provide same-day care (Comprehensive School and Community Treatment [CSCT] staff or contracted licensed therapists)
    - Assistance creating a protocol to connect at-risk students to care
    - Analyses of all results, if desired and
    - Help setting up a database.

East Helena Public Schools agrees to provide the following:

- Assistance getting school board approval to implement screening, if desired
- Administrative support for sending information packets and consent forms to parents
- Location for informational meetings for parents (on-site or virtual)
- At least one staff member to administer the screening
- A contact person at the school who will receive screening results, contact parents of students identified with high risk of suicide, and connect at-risk students with predetermined mental health personnel
- Internet-connected devices for the screening (computer, tablet, or smartphone) and
- Administrative support for informing parents of their child's results.

Modifications

Modifications within the scope of this MOU shall be made by mutual consent of the parties, by the issuance of a written modification, signed and dated by all parties, prior to any changes being performed.

Reporting

Both parties should review the adherence to the agreement quarterly. If either party identifies a breach of this MOU, they should contact the other party and mutually determine a timeline for the completion of the agreed tasks.

Data Ownership
Schools will own all data collected via the MERET screening tool. MERET and RBHI will not sell or otherwise make available schools' data to third parties. In the event MERET wishes to carry out and make public any analyses of schools' data, it will secure written consent to do so from each school and will not reveal the source of the data to be from a school unless permission from the school is obtained. With the school's written permission, RBHI will use grouped data from participating schools in oral and written presentations about the program and in confidential grant progress reports as required by the funding agency. At no time will data from individual students be shared. The schools will have the right to review all data prior to its sharing.

Confidential Information – All information, data, screening results, student's identifying information, student treatment records, therapists notes, school file notations and all other information, whether written or oral, arising from the STLC program and the services to be provided by an RBHI-contracted therapist shall be confidential and shall be subject to the confidentiality provisions of this MOU during the term of this MOU and following expiration or termination of this MOU, in accordance with State and Federal law.

Funding
This MOU is neither a fiscal nor a funds obligation document. Any endeavor or transfer of anything of value involving reimbursement or contribution of funds between the parties to this MOU will be handled in accordance with applicable laws, regulations, and procedures.

Duration
This MOU is at-will and may be modified by mutual consent of authorized officials from the **Rural Behavioral Health Institute** and **East Helena Public Schools**. This MOU shall become effective upon signature by the authorized officials from the **Rural Behavioral Health Institute** and **the East Helena Public Schools** and will remain in effect until modified or terminated by any one of the partners by mutual consent. In the absence of mutual agreement by the authorized officials from **Rural Behavioral Health Institute** and **East Helena Public Schools** this MOU shall end on 6/30/2026

Contact Information
Rural Behavioral Health Institute
Kayleigh Brown
Chief Operating Officer
PO Box 203
Livingston, MT 59047
406-317-5521
kbrown@rbhi.org

East Helena Public Schools – Dan Rispens
Superintendent
PO Box 1280
East Helena, MT 59635
406-227-7700
drispens@ehps.k12.mt.us

In witness whereof, the parties hereto have executed this MOU as of the last date written below:

_____ Date: _____
Kayleigh Brown
Rural Behavioral Health Institute
Chief Operating Officer

_____ Date: _____
Scott Walter
East Helena Public Schools
Chairman of the Board