

AUDIT INFORMATION

2019 BOARD OF EDUCATION

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Kevin Janssen, Lincoln & Stoddard Elementary Principal
David Koch, Technology
Neal Randel, HS Asst. Principal/Activities Director
Betty Replogle, Paddock Lane/Stoddard Elementary Principal
Jason Sutter, HS Principal
Missy Timmerman, Preschool
Philip Voigt, HS Asst. Principal

REQUEST FOR PROPOSALS - AUDIT SERVICES

I. INTRODUCTION

A. General Information

The Beatrice Public Schools is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal year ending August 31, 2019, with the option of auditing its financial statements for each of the two subsequent fiscal years. These audits are to be performed in accordance with generally accepted auditing standards; the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; the Single Audit Act of 1984; and the provisions of the Office of Management and Budget Circular A-128, "Audits of State and Local governments," and any requirements as set forth in the Nebraska State Statutes for public schools.

Any inquiries concerning the request for proposals should be addressed to the Superintendent. To be considered, one copy of a proposal must be received by the Superintendent at 320 North 5th Street, Beatrice, NE 68310, by 4:00 P.M. on May 3, 2019. The District reserves the right to reject any or all proposals submitted.

The District reserves the right, where it may serve in the District's best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions.

Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed between the District and the firm selected.

It is anticipated the selection of a firm will be completed by May 13, 2019.

B. Length of Agreement

The District is seeking a three year agreement, subject to the annual review of the Board of Education and the satisfactory negotiation of terms.

II. NATURE OF SERVICES REQUIRED

A. General

The Beatrice Public Schools is soliciting the services of qualified certified public accounting firms to audit its financial statements for the fiscal year ending August 31, 2019, with the option to perform audit services for each of the two subsequent fiscal years. These audits are to be performed in accordance with the provisions contained herein.

B. Scope of Work to be Performed

The Beatrice Public Schools desires the auditor to express an opinion on the fair presentation of its financial statements in conformity with generally accepted accounting principles.

C. Auditing Standards to be Followed

To meet the requirements of this request for proposals, the audit shall be performed in accordance with generally accepted auditing standards; the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; the Single Audit Act of 1984; and the provisions of the Office of Management and Budget Circular A-128, "Audits of State and Local governments," and any requirements set forth in the Nebraska State Statutes for public schools.

D. Reports to be Issued

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

1. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles.
2. A report on the internal control structure based on the auditor's understanding of the control structure and assessment of control risk.
3. A report on compliance with applicable laws and regulations.
4. A report on the internal control structure used in administering federal financial assistance programs.
5. A report on compliance with laws and regulations related to major and non major federal financial assistance programs. This report should include an opinion on compliance with specific requirements applicable to major federal financial assistance programs, a report on compliance with general requirements applicable to major federal financial assistance programs, and a report on compliance with laws and regulations applicable to non major federal financial assistance program transactions tested.

In the required reports on internal controls, the auditor shall communicate any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Reportable conditions that are also material weaknesses shall be identified as such in the report.

Other inconsequential conditions discovered by the auditors shall be reported in a separate management letter, which shall be referred to in the reports on internal controls.

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

Irregularities and illegal acts. Auditors shall be required to make an immediate, written report of all irregularities and illegal acts of which they become aware to the Beatrice Board of Education President.

E. Other Requirements

The auditor shall review the District's Annual Financial Report in order to verify the information contained in the report.

The auditor shall submit the District's payroll by class report as required by the Nebraska Association of School Boards' Worker Compensation Pool.

No reports or findings, other than those designated as irregular or illegal, shall be issued until an exit interview with the District has been completed.

F. Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the auditor's expense, for a minimum of three (3) years, unless the firm is notified in writing by the District of the need to extend the retention period. In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters on continuing significance.

III. DESCRIPTION OF THE DISTRICT

A. Principle Contact

The auditor's principal contact with Beatrice Public Schools will be the District's Superintendent.

B. Background Information

The Beatrice Public Schools serve an area of 158 square miles with a student population of approximately 2,175 students ranging from preschool handicapped to twelfth grade. The District serves a single site preschool, three elementary schools, one middle school, and one high school.

C. Fund Structure

The District uses the following fund types. The budget/estimated activity for each fund is included.

Fund	2018-2019 Budget
General Fund	\$31,818,288
Building Fund	\$1,403,081
Cafeteria Fund	\$1,248,200
Special Accounts Fund	\$
Activity Fund	\$1,304,118
Depreciation Fund	\$1,750,324
Bond Fund	\$0
QCPUF Fund	\$1,154,338
Coop Fund	\$1,171,035
Employee Benefit Fund	\$94,354

Student Fee Fund \$25,998

D. Basis of Accounting

The Beatrice Public Schools uses cash accounting as the basis for presenting the District's financial reports.

E. Federal Financial Assistance

During the fiscal year ending August 31, 2018, the Beatrice Public Schools received the following financial assistance:

Title I	\$520,657
Title II	\$64,673
Preschool Handicapped Transportation	\$93,000
Preschool Program	\$21,500
Drug-Free Schools	\$13,883
Carl Perkins Vocational	\$17,037
National & Community Service Act	\$0
National School Lunch Program	\$145,000
Food Distribution (Surplus Commodities)	\$28,600
Medical Assistance Program	\$31,540

F. Pension Plan

The Beatrice Public Schools participate in the Nebraska Teachers Retirement System.

G. Availability of Prior Audit Reports

Interested parties who wish to review prior year's audit reports should contact the District by writing to: Superintendent, Beatrice Public Schools, 320 North 5th Street, Beatrice, NE 68310.

IV. TIME REQUIREMENTS

A. Proposal Calendar

Request for Proposals Issued	April 1, 2019
Due Date for Proposals	May 3, 2019
Selected Firm Approved	May 13, 2019

B. Date Audit May Commence

The Beatrice Public Schools will have all records ready for audit and all management personnel available to meet with the firm's personnel as of September 15th (approximate time each year).

C. Schedule for the Fiscal Year Audits

The auditor shall prepare draft financial statements, notes, all required supplementary schedules and provide recommendations to the District for review by October 25th. The District will complete their review of the draft report so as to meet the reporting deadline. The auditor should be available for any meetings that may be necessary to discuss the reports. The final audit will be

provided to the Nebraska Department of Education and the Nebraska State Auditor of Public Accounts by the November 15th deadline.

The review of the District's Annual Financial Report will be performed in order to meet the November 1 deadline.

The District's payroll by class report will be provided to the Nebraska Association of School Boards' Worker Compensation Pool by the November 1 deadline.

V. ASSISTANCE TO BE PROVIDED TO THE AUDITOR

The District's personnel will be available during the audit to assist the firm by providing information, documentation and explanations. The preparation of confirmations will be the responsibility of the auditor. Support will be made available to the auditor for the preparation of routine letters and memoranda.

The District will provide the auditor with reasonable work space, desks, and chairs. The auditor will also be provided access to use of the telephone, photocopiers and fax machines. No District records are to be removed from the premises.

VI. PROPOSAL REQUIREMENTS

A. General Requirements

Inquiries concerning the request for proposals must be sent to: Superintendent, Beatrice Public Schools, 320 North 5th Street, Beatrice, NE 68310 or by calling (402) 223-1500.

Submissions of proposals will be required on or before May 3, 2019. The Proposal should include a transmittal letter and a detailed proposal as set forth in Section VI-B of this request for proposals. The proposer shall submit a total Dollar Cost Bid in accordance with Section VI-C of this request for proposals.

Completed proposals should be sent to the following address: Superintendent, Beatrice Public Schools, 320 North 5th Street, Beatrice, NE 68310.

B. Proposal

1. General Requirements

The purpose of the proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of the Beatrice Public Schools in conformity with the requirements of the request for proposals.

2. Independence

The firm should provide an affirmative statement that it is independent of the Beatrice Public Schools, as defined by generally accepted auditing standards.

3. License to Practice in Nebraska

The firm should provide an affirmative statement that the firm and all assigned key professional staff are properly licensed to practice in Nebraska.

4. Firm Qualifications and Experience

The proposal should state the size of the firm, the location of the office from which the work on the engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full-time basis. The firm should identify the principal supervisory and management staff, including engagement partners, managers, and other supervisors, who would be assigned to the engagement. The firm should also provide information on the government auditing experience of each person. The firm should also indicate how the quality of staff over the term of the agreement will be assured.

5. Similar Engagements with Other Government Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements performed in the last five years that are similar to the engagement described in this request for proposals. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

6. Specific Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed to perform the services required in Section II of this request for proposals.

C. Dollar Cost Bid

1. Total All-Inclusive Maximum Price

The dollar cost bid should contain all pricing information relative to performing the audit engagement as described in this request for proposals. The total all-inclusive maximum price to be proposed is to contain all direct and indirect costs including all out-of-pocket expenses. This information should be provided for each year proposed for both the District's General Financial Statements and the Schedule of Federal Financial Assistance as Required by the Single Audit Act of 1984.

2. Rates for Additional Professional Services

If it should become necessary for the District to engage the auditor for additional services beyond the scope of this request, a separate schedule of fees and expenses should be provided.

3. Payment of Services

The proposal should include the expected payment schedule as required by the auditing firm.

VII. EVALUATION PROCEDURES

A. Evaluation Criteria

Proposals submitted will be evaluated by the Superintendent and/or Assistant Superintendent. Proposals will be evaluated using three sets of criteria.

1. Mandatory Elements

- a) The audit firm is independent and licensed to practice in Nebraska.
- b) The audit firm has no conflict of interest.
- c) The firm adheres to the instructions in the request for proposals.

2. Technical Qualifications

- a) The firm's past experience and performance on comparable government engagements.
- b) The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation.
- c) Adequacy of proposed staffing plan for various segments of the engagement, including sampling techniques and analytical procedures.

3. Price

Cost will not be the primary factor in the selection of an audit firm.

B. Final Selection

The firm selected will be notified of acceptance of the proposal and agreement of the terms contained within the proposal.

C. Right to Reject Proposals

Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals unless clearly and specifically noted in the proposal submitted and confirmed in the accepted proposal between the Beatrice Public Schools and the firm selected.

The Beatrice Public Schools reserves the right without prejudice to reject any or all proposals.