



**Request for Proposal
For Audit Services
For the Years Ending June 30, 2019, 2020 and 2021**

April 3, 2019

GENERAL CONDITIONS

Buchanan Community Schools is soliciting proposals from qualified firms of Certified Public Accountants to audit its financial statements for the fiscal years ending June 30, 2019, 2020 and 2021. The district reserves the right to extend the minimum three-year contract an additional two years based on satisfactory performance of audit services.

The following Request for Proposal (RFP) is being provided to you for your consideration. To be considered for this engagement, your firm must meet the qualifications and satisfy the requirements set forth in this RFP. Please indicate your intent to submit a proposal by completing the attached Audit Proposal Form (page 8) and returning it to the address listed below by 1:00 p.m. on Wednesday, April 24, 2019.

Tricia Lowery
Executive Director of Business and Operations
Buchanan Community Schools
401 W. Chicago Street
Buchanan, MI 49107
269-695-8400 Option 2
tlowery@buchananschools.com

Completed proposals must be sent to the attention of Tricia Lowery, Executive Director of Business and Operations, and received by 1:00 p.m. on April 24, 2019. Proposals must be submitted in a sealed envelope that is clearly marked “AUDIT PROPOSAL”. Proposals submitted by facsimile will not be accepted.

Although cost will be an important factor in awarding the contract, the school district is not obligated by any statute or regulation to award the purchase of audit services solely on the basis of cost. Accordingly, the school district reserves the right to evaluate all proposals objectively and subjectively and to accept or reject any or all proposals or portion thereof. Additionally, the district reserves the right to negotiate changes in services with the firm determined to have submitted the proposal that is in the best interest of the district.

It is to be understood that this RFP constitutes specifications only for the purpose of receiving proposals for services and does not constitute an agreement for those services. It is further expected that each bidder will read these specifications with care. Failure to provide requested information or meet certain specified conditions may invalidate the proposal(s).

Proposals shall remain valid for a period of sixty (60) days after submission. Modifications to proposals will not be accepted by the district, except as may be mutually agreed upon following the acceptance of the proposal.

All questions or requests should be directed to Tricia Lowery at 269-695-8400, option 2 or by email to tlowery@buchananschools.com. In order to assure consistency of information provided regarding this RFP, contact with Buchanan Community Schools’ personnel other than Tricia Lowery is discouraged and may be grounds for elimination from the selection process.

TIME TABLE

1. Release of RFP on April 3, 2019
2. **Proposals due at 1:00 p.m. on Wednesday, April 24, 2019**
3. Board of Education Approval on May 20, 2019
4. Notification to all firms as soon as possible after May 21, 2019

FIRM/AUDITOR QUALIFICATIONS

- The firm must maintain a sufficient number of professional staff in order to provide adequate technical expertise and depth.
- The firm and the partner assigned to the district must have considerable experience in auditing K-12 public school districts within the State of Michigan.
- The auditor is expected to be familiar with the types of policies and procedures school districts follow.
- The firm shall identify the audit manager, field supervisors and other staff who will work on the audit, including staff from other than the local office. Resumes including relevant experience and continuing education for the audit manager, field supervisor(s) and partner in charge of the engagement should be included with the proposal.
- All staff must be properly trained and supervised.
- The firm must have an excellent reputation for service in Michigan school district auditing.
- The firm should have a minimum of \$1,000,000 Errors and Omissions Insurance. (The successful firm will be required to provide the district with a certificate of insurance to verify this coverage.)
- The firm should have an unqualified Peer Review Report. If the firm's most recent review was qualified, please disclose the reasons for the qualification.

AUDIT REQUIREMENTS

SCOPE:

- Completion of an annual, audited financial report that is in compliance with Generally Accepted Governmental Auditing Standards as promulgated by GASB, AICPA, and Michigan Departments of Education and Treasury.
- Completion of a Single Audit Report in compliance with the United States General Accounting Office standards commonly referred to as the "Yellow Book" and Michigan Department of Education Michigan School Auditing Manual.
- Completion of the Audit Disclosures report as required by the Michigan Department of Education (MDE).
- Preparation of a Management Letter of Recommendations for the Chief Financial Officer and/or Superintendent of Schools.
- Meetings with the Executive Director of Business and Operations and/or Superintendent of Schools prior to release of any report and, at the request of the Superintendent, meetings with the Board of Education, or its committees, to review the above reports.

- Audit procedures should be in compliance with auditing standards as promulgated by MDE, Michigan Department of Treasury, GASB, AICPA, and U.S. General Accounting Office.

AUDIT BASIS:

- Bulletin 1022 (Revised)
- Public Act 621 of 1978 (Uniform Budgeting)
- GAAFR statements and restatements
- Governmental Accounting Standards Board – Pronouncements and Interpretations
- U.S. General Accounting Office – Government Accounting Standards, as amended (Yellow Book)
- Single Audit Act of 1984, as amended
- Compliance Federal Grant Programs – OMB Circular A128 of 1984, as amended, Section V of Michigan School Accounting Manual
- GASB Exposure Letters
- Bulletins
- Michigan School Audit Manual as issued by the Michigan Department of Education
- Any other required Federal, State, cognizant agency, and/or professional standards applicable to this engagement including AICPA.

AUDIT TIMELINE:

- Audit to commence with Preliminary Work in June, 2019, 2020 and 2021 at such time as mutually agreed upon each year.
- Audit to be completed by September 30 of each year. Audit draft to the Executive Director of Business and Operations for preliminary review by October 7.
- Audit documents to be delivered to the district by October 14 of each year in order to meet audit deadlines set by the Michigan Department of Education.
- Audit to be presented to the Board of Education in October of each year.

OTHER

- The auditor shall furnish the school district with ten (10) copies and a PDF electronic file of the Comprehensive Annual Financial Report and Single Audit Report.

DISTRICT INFORMATION

1. Enrollment.

Buchanan Community Schools is a Michigan K-12 school district located in the county of Berrien. The district provides general and special education services to all school district students within its service area as well as those enrolling under Section 105 of the State Aid Act, Schools of Choice.

The District owns and operates the following schools:

School	Location	Grades	Enrollment	
Ottawa Elementary	109 Ottawa Street Buchanan, MI 49107	Pre K-1st	225	Fall 18
Moccasin Elementary	410 Moccasin Street Buchanan, MI 49107	2 nd -4th	354	Fall 18
Buchanan Middle School	610 West Fourth Street Buchanan, MI 49107	5 th -7th	368	Fall 18
Buchanan High School	401 West Chicago Street Buchanan, MI 49107	8 th -12th	565	Fall 18
Buchanan Virtual Academy	401 West Chicago Street Buchanan, MI 49107	5th-12th	56	Fall 18

The blended count for the 2018-19 school year is 1574.

2. Funding

The foundation grant for the district is at \$7,871 per pupil for the 2018-19 school year. The District's major federal program is the Child Nutrition Cluster at approximately \$800,000. Other significant federal programs are Title I A and Title II A with 2018-19 allocations of \$356,886 and \$158,708, respectively.

3. Staffing

The district employs approximately 178 people; 90 certified teachers, 10 administrators, and 78 salaried and hourly staff including department directors, secretaries, maintenance personnel, aides, teacher assistants, bus drivers and food service workers.

The following list represents key personnel involved in the financial operations of the district and their length of experience:

Name	Position	Length of Service with the District	Total Experience in Public Education
Tricia Lowery	Executive Director of Business and Operations	6 years	24 years
Laura Morris	Payroll/Benefits Clerk/Pupil Accounting	20 years	20 years
Linsey Miller	Accounts Payable/Accounts Receivable/BVA coordinator	5 years	5 years

4. Accounting Software

Buchanan Community Schools utilizes software provided by Skyward for general ledger, accounts payable, accounts receivable, payroll, and personnel. The District has utilized this software for over ten years. For student services/pupil accounting purposes, the District uses Power School.

5. Financial Information

Fund	Projected 2018-19 Revenues	Projected 2018-19 Expenditures	Projected Ending Balance
General Fund	\$16,257,863	\$16,739,959	(482,096)
Food Service	\$742,000	\$816,025	(74,025)
Capital Projects	\$298,000	\$275,000	\$23,000
Debt Retirement			\$198,750
Activity Funds			\$466,000
TOTAL	\$17,297,863	\$17,830,984	\$131,629

The capital projects and debt funds have no formally adopted budget. The capital projects fund is for projects approved by the BOE annually from our .8 mills sinking fund. The District has two outstanding bond issues, with aggregate debt balances at June 30, 2018, of approximately \$14,898,448.

6. Reporting

The auditors will report the following information to the Superintendent of Schools and the Buchanan Community Schools Board of Education:

- Internal accounting control based solely on a study and evaluation made as part of the audit of the general-purpose financial statements.
- Compilation of financial statements, schedules and reporting for state and federal reporting.
- Compliance with laws and regulations that may have a material effect on the financial statements.
- Supplementary schedule of our federal financial assistance program.
- Accounting and administrative internal controls used in administering federal financial assistance programs.
- Compliance with laws and regulations applicable to federal financial assistance programs identifying all findings of noncompliance and questioned costs.
- Personal presentation of the final report to the Board of Education by an audit manager or partner of the firm.
- Assistance in correcting errors and procedural shortcomings identified during the audit.

7. Communication

The auditor will maintain regular contacts and meetings with the district administrators and other personnel including but not limited to:

- Engagement planning meeting
- Progress reports
- Closing review meeting
- Changes that would affect the reporting requirements of the school district
- Sharing of innovative methods and procedures that may warrant district investigation and/or consideration
- Newsletters or other method of regular communications containing information with specific benefit to school districts

8. Taxes

The auditor is expected to conduct a 100% tax audit/reconciliation, including all “off-the-roll specific taxes” such as Industrial and Commercial Facilities Taxes. The District receives taxes from seven municipalities: City of Buchanan, Bertrand Township, Buchanan Township, Galien Township, Niles Township, Oronoko Township and Weesaw Township, in Berrien County. The District only levies in both summer and winter. The 2018 tax levy includes 18.0000 mills for operational purposes (non-homestead only), .8000 mills for Building and Site, and 3.6000 mills for all debt purposes.

9. Other

In preparation for each audit, the district currently records all journal entries and provides all detail for accounts receivable, accounts payable, accrued salaries, other accrued liabilities and deferred revenue. A small inventory is maintained at each building for food and supplies, which is counted each year and reconciled to the general ledger. All grants are reconciled and receivables/deferred revenue recorded at year-end. Few audit entries are usually required by the current auditors.

The current auditors have a record of the fixed assets and calculate the depreciation expense each year.

The district will prepare the FID report for the years ending June 30, 2019, 2020, and 2021.

Buchanan Community Schools
AUDIT PROPOSAL FORM

Please complete and return this proposal form with any additional information you feel is necessary to help us evaluate your firm. **Proposals are due by 1:00 p.m. on April 24, 2019.**

1. Location of the office that will be performing the audit for Buchanan Community Schools.

Audit Firm: _____

Address: _____

Contact Person: _____

Phone Number: _____

2. Number of Michigan school district audits that your firm conducted in each of the last three years. Please attach a list of school districts.

Year ending June 30, 2018 _____

Year ending June 30, 2017 _____

Year ending June 30, 2016 _____

3. Number of other governmental (fund accounting) audits your firm has conducted in each of the last two years.

Last year _____

Prior year _____

4. List your firm's involvement in school district type organizations.

5. List specific school district/government audit and GASB training supplied to your staff in the last two years.

6. Number of total audit staff. Do not include tax, consulting services or clerical personnel.

Number of audit staff _____

Number of audit staff with CPA certification _____

7. Number of staff above who were directly involved in a significant portion of the audit of a school district in the last two years. _____

8. Staff anticipated to be assigned to audit. Assurance must be given that during the course of the life of the three-year contract there will be some continuity in the assignment of audit staff. It is to the mutual interest of the district and the audit firm that there not be any dramatic changes in audit staff every year.

Name, Title/Position	Years of Audit Experience	Years of School Audit Experience	Qualifications (Degree, CPA)
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

9. Base audit cost including Single Audit:

For the year ending June 30, 2019 _____

For the year ending June 30, 2020 _____

For the year ending June 30, 2021 _____

Unless extremely unusual circumstances arise, no additional cost may be added, and then only with the pre-approval of the District's management.

10. What type of consulting service do you provide to the school district on an annual and ongoing basis at no additional cost? We request that the auditor offer possible alternative solutions to improve the fiscal management of Buchanan Community Schools and that the auditor advise the business office in writing of any changes in accounting procedures to assist with the ongoing compliance with the latest recommendations.

11. Hourly rates for consulting services beyond the scope of the consulting services listed in number 10 above.

12. Indicate other services that you provide to your clients.

13. Please provide any additional information or data which you feel is relevant and may be helpful in the selection process.
