

District Office



REQUEST FOR AUDIT PROPOSALS

I. Introduction

A. General Information

The Elmira Heights Central School District is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal years ending June 30, 2023, 2024 and 2025 with an option for two (2) additional years. These audits are to be performed in accordance with generally accepted auditing standards set forth for financial audits in the U.S. General Accounting Office's (GAO) Government Auditing Standards (1994), the provisions of the amended federal Single Audit Act (1996) and the U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State and Local Governments (1997) as well as the following additional requirements.

There is no expressed or implied obligation for the Elmira Heights Central School District to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

To be considered, the proposal must be received by 2:00 p.m. on Wednesday, March 8, 2023 in the District Office of Elmira Heights Central School District. The Elmira Heights Central School District Board of Education reserves the right to reject any or all proposals submitted.

During the selection process the Elmira Heights Central School District reserves the right, where it may serve their best interest, to request additional information or discretion of the Elmira Heights Central School District, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

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 contract between the Elmira Heights Central School District and the firm selected.

It is anticipated the selection of a firm will be completed by Wednesday, April 12 2023. Following the notification of the selected firm it is expected a contract will be executed between both parties by Wednesday, May 3, 2023.

Auditors shall insure that the Board of Education of Elmira Heights Central School District is informed of each of the following:

1. The auditor's responsibility under generally accepted auditing standards.
2. Significant accounting policies.
3. Management judgments and accounting estimates.
4. Significant audit adjustments.
5. Other information in documents containing audited financial statements.
6. Disagreements with management.
7. Management consultation with other accountants.
8. Major issues discussed with management prior to retention.
9. Difficulties encountered in performing the audit.

B. Special Considerations

1. The Elmira Heights Central School District has determined that the U.S. Department of Education will function as the cognizant agency in accordance with the provisions of the Single Audit Act and the U.S. Office of Management, Budget (OMB) Circular A-133 Audits of State and Local Governments and Governmental Accounting Standards Numbers 34 and 45.
2. The schedule of federal financial assistance and related auditor's report, as well as the reports on the internal control structure and compliance are to be issued as part of the comprehensive annual financial report
3. A list of findings and other weaknesses from the Elmira Heights Central School District's most recent financial statement audit as well as a list of findings from internal audits conducted during the most recent fiscal period to be audited can be provided.
4. The Elmira Heights Central School District would expect that the annual financial report include a Management Discussion and Analysis. The firm will copy all reports and deliver twenty-five (10) copies of all reports to the School Business Official. The firm shall advise the School Business Official as to the proper promulgation of their reports in writing. The report shall be presented to the Board of Education at a regularly scheduled public meeting. An auditor who gave final approval to the District's reports and financial statements will be present at the meeting. The firm shall also be required to meet with the District's Audit Committee at least twice during the fiscal year.

C. 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 seven (7) years by law, unless the firm is notified in writing by the Elmira Heights Central School District of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties of their designees:

1. Elmira Heights Central School District
2. U.S. Department of Education
3. U.S. General Accounting Office (GAO)
4. Parties designated by the federal or state governments or by the Elmira Heights Central School District as part of an audit quality review process.
5. Auditors of entities of which the Elmira Heights Central School District is a sub recipient of grant funds.
6. Auditors of entities of which the Elmira Heights Central School District is a component unit.

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

The firm should also provide a brief description of the current working papers review process which is utilized.

D. Scope of Work to be Performed

The Elmira Heights Central School District desires the auditor to express an opinion on the fair presentation of its financial statements in conformity with generally accepted accounting principles. In addition, the auditor is to express an opinion on the fair presentation of the District's Extra-Classroom activity funds in conformity with another comprehensive basis of accounting (cash basis).

The auditor is not required to audit the schedule of federal awards. However, the auditor is to provide an 'in-relation-to' report on that schedule based on the auditing procedures applied during the audit of the financial statements.

E. Reports to be Issued

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

- Independent Auditor's Report on Basic Financial Statements with Accompanying Required Supplementary Information

- Management Discussion and Analysis
- Statement of Net Assets
- Statement of Activities
- Balance Sheet – District Funds
- Reconciliation of Fund Balances to Net Assets at bottom of Balance Sheet – District funds or a separate Reconciliation of Balance Sheet - District Funds to the Statement of Net Assets
- Statements of Revenues, Expenditures, Expenditures and Changes in Fund Balances – District Funds
- Reconciliation of District Funds Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities
- Statement of Fiduciary Net Assets – Fiduciary Funds and Statement of Changes in Fiduciary Net Assets – Fiduciary Funds (if applicable)
- Notes to the Financial Statements
- Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual – General Fund
- Schedule of Change From Adopted Budget to Revised Budget – General Fund
- Schedule of use of Unreserved Fund Balance - General Fund
- Schedule of Project Expenditures – Capital Project fund (if applicable)
- Schedule of Certain Revenues and Expenditures compared to ST-3 Data
- Combined Balance Sheet – Non-Major District Funds (if applicable)
- Combined Statement of Revenues, Expenditures, and Changes in Fund Balance – Non-Major District Funds (if applicable)
- Schedule of Investment in Capital Assets, Net of Related Debt
- Independent Auditor’s Report on the Internal Control Structure Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
- Independent Auditor’s Report on Compliance Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
- Independent Auditor’s Report on Internal Control Related to the Financial Statements and Major Program (if applicable)
- Independent Auditor’s Report on Compliance with Laws, Regulation, and the Provisions of Contracts or Grant Agreements (if applicable)
- Schedule of Expenditures of Federal Awards
- Notes to Schedule of Federal Awards (if applicable)
- Schedule of Findings and Questioned Costs (if applicable)
- Corrective Active Plan for A-133 audit findings for federal awards (if applicable)

In the required report(s) 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. Non-reportable conditions discovered by the auditors shall be verbally reported to management. Auditors shall be required to make an immediate, written report of all irregularities and illegal acts or indications of which they become aware to the Audit Committee of the Board of Education.

II. Description of the Government

A. The auditor’s principal contact with the Elmira Heights Central School District will be the School Business Manager – Martha Clark, who will coordinate the assistance to be provided by the Elmira Heights Central School District to the auditor.

B. Background Information

The Elmira Heights School District has a total payroll of approximately \$9,015,000 excluding fringe benefits covering approximately 190 employees. (Appendix I – Description of the District)

The accounting and financial reporting functions of the Elmira Heights Central School District are centralized. More detailed information on the school district and its finances can be found in its annual budget and its annual financial statement (ST-3) – each on file in the district office and with the New York State Education Department in Albany. In addition the district maintains a Policy Manual which may be accessed at the District’s website www.heightsschools.com.

C. Funds

The Elmira Heights Central School District uses the following fund types and account groups in its financial reporting:

- | | |
|------------------------|----------------------------------|
| General Fund | School Lunch Fund |
| Capital Fund | Nonexpendable Trust Funds |
| Expandable Trust Funds | Trust and Agency Fund |
| Special Aid Fund | Extra-Classroom Activities Funds |
| Debt Service Fund | Fixed Assets Fund |
| Long Term Debt Fund | |

D. Budgetary Basis of Accounting

The Elmira Heights Central School District prepares its budget on a basis consistent with generally accepted accounting principles.

E. Federal and State Financial Assistance

During the fiscal year to be audited, the Elmira Heights Central School District received the following financial assistance:

General State Aid
Categorical State Operating Aid
Title I Federal Assistance
Title IIA Federal Assistance
ESSA Federal Assistance
IDEA Federal Assistance
CARES Act
ARP Plan Assistance
CRRSA Plan Assistance
National School Lunch Program
School Breakfast Program
Surplus Food Distribution

F. Pension Plans

The Elmira Heights Central School District participates in the following pension plans:

New York State and Local Employees' Retirement System(s)
New York State Teachers' Retirement System

G. Availability of Prior Audit Reports and Working Papers

Interested firms who wish to review prior years' audit reports and management letters should contact Martha Clark, Business Manager.

III. Time Requirements

The following is a list of key dates up to and including the date the audit is to commence:

Request for Proposals Issued	February 8, 2023
Due Date for Proposals	March 15, 2023

Board of Education Approval	April 12, 2023
Selected firm notified	April 18, 2023
Date interim audit is to commence	June 5, 2023
Date regular audit is to commence	August 14, 2023

Each of the following shall be completed by the auditor:

The auditor shall complete all fieldwork by approximately the second week of August of a given year.

The auditor shall have drafts of the audit reports and recommendations to management available for review by the school district's administration by mid-September of a given year.

Final reports – the auditor shall complete *final editions* of the audit reports and recommendations to management for submission to the Board of Education of Elmira Heights Central School District by October 1st of any given year.

Auditor should also ensure availability for presentation of the report(s) to the Board of Education if requested.

IV Proposal Requirements

Inquiries concerning the request for proposals should be addressed to Martha Clark, Business Manager, Elmira Heights Central School District, 2083 College Avenue, Elmira Heights, NY 14903.

The detailed proposal should demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of the Elmira Heights Central School District in conformity with the requirements of this request for proposals. It should also provide references of at least three (3) current school clients. The proposals should be prepared simply and economically, providing a straightforward, concise description of the firm's capabilities to satisfy the requirements of the request for proposals.

V. Other Information

- A. The firm should provide an affirmation statement that it is independent of the Elmira Heights Central School District as defined by generally accepted auditing standards / the U.S. General Accounting Office's Government Auditing Standards (1994).

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- B. An affirmation statement should be included indicating the firm and all assigned key personnel staff are properly credentialed to practice the profession of the New York State.
 - C. The proposal should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed, and the number and nature of the professional staff to be employed in this engagement.

The firm must also, submit a copy of the report on its most recent external quality control review.

- D. Provide an affirmation statement that the staff assigned to the engagement have met all the continuing professional education (CPE) requirements necessary to satisfy the United States General Accounting Office (GAO) standards.
- E. Provide an affirmative statement that it is independent of the Elmira Heights Central School District as defined in auditing standards generally accepted in the U. S. and Government Auditing Standards issued by the Comptroller General of the United States.
- F. The firm shall also provide information on the results of any federal or state desk review or field reviews of its audits during the past three (3) years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with the state regulatory bodies or professional organizations.
- G. Provide the name(s) of individuals in the firm that would be available throughout the contract for advice and counsel along with the associated cost.
- H. A listing of memberships, organizations or training sessions with which the firm is involved which specifically relates to school district accounting.
- I. The proposal must indicate the total fee for the services requested. This fee should be a flat annual charge which includes all necessary expenses such as copying costs and mileage. In addition, please provide a fee schedule for persons who would be assigned to the school district audit together with their estimated hours and standard rates used in determining the annual fee. (Use Appendix II-V)

VI. Evaluation of the Proposals

Each proposal submitted will be reviewed and evaluated by the Board of Education and/or a committee. Proposals will be judged according to the following criteria:

- A. Responsiveness of the proposal in clearly stating an understanding of the work to be performed.
- B. Experience in auditing school districts.
- C. Qualifications of staff to be assigned to the audit.
- D. Cost of the audit.

Please submit three (3) copies of your written proposal in a sealed envelope to be received no later than 2:00 p.m. Wednesday March 15, 2023. All sealed proposals should be addressed as follows:

**“PROPOSAL FOR AUDIT SERVICES”
ATTN: MARTHA CLARK, BUSINESS MANAGER
ELMIRA HEIGHTS CENTRAL SCHOOL DISTRICT
2083 COLLEGE AVENUE
ELMIRA HEIGHTS NY 14903**

DESCRIPTION OF THE DISTRICT

A. Name and Telephone Number of Contact Person

The auditor's principal contact with the **Elmira Heights** Central School District will be Martha Clark, Business Manager. Telephone (607) 734-7114 extension 2549.

B. Background Information

The **Elmira Heights** Central School district was formed in 1956 and covers approximately 23 square miles and provides quality educational services to over 1,000 students in grades Pre-Kindergarten through Grade 12, in two (2) buildings. The District operates and maintains its own transportation, food service and maintenance programs. The District's fiscal year begins on July 1 and ends on June 30.

The District has 3 bargaining units that cover instructional personnel (approx. 106), administrators (approx. 4), and support personnel (approx. 72). The contract for the Superintendent of Schools is negotiated separately. Total annual payroll is approximately \$9 million.

The District has a total budget of approximately \$24.6 million and has a seven (7) member Board of Education.

The accounting and financial reporting functions of the District are centralized, with the payroll, purchasing and accounts payable functions being performed through the Central Business Office at GST BOCES. The District's accounting and financial reporting functions are computerized and fully integrated. The District's secondary level has 16 recognized Extra-Classroom activities.

More detailed information on the District and its finances can be found in the District's latest financial statements and budget documents.

C. Budgetary Basis of Accounting

The **Elmira Heights** Central School District prepares its budget on a basis consistent with a modified accrual basis of accounting. Appropriations lapse at fiscal year-end and encumbrances are shown as a reservation of fund balance and are honored through subsequent year's expenditures.

D. Federal Awards

The District receives and administers federal awards as follows:

Agency/Program Title

U.S. Department of Education

Title I, Part A

Title II, Part A

IDEA, Part B, Section 611

CPSE

IDEA, Part B, Section 619

U.S. Department of Agriculture

National School Lunch

National School Breakfast

Surplus Food Distribution

E. Pension and Other Plans

The Elmira Heights Central School District participates in the NYS and Local Employees' Retirement System and NYS Teachers' Retirement System, both of which are cost sharing multiple-employer, public employee retirement systems. In addition, the District administers IRS Section 403(b) and 125 plans for its employees.

F. Component Units and Joint Venture

The Elmira Heights Central School District is defined, for financial reporting purposes, in conformity with the Government Accounting Standards Board's Codification of Governmental Accounting and Financial Reporting Standards, Section 2100 (with the source being GASB Statements 14, 34 and 39 and GASB Technical Bulletin 2004-1). Using these criteria, there are no component units included in the District's financial statements. The District does participate with 21 other districts in the Greater Southern Tier Board of Cooperative Educational Services (BOCES), which is deemed a joint venture for financial reporting purposes.

G. Magnitude of Finance Operations

All financial accounting and reporting is handled through the business office.
Number of vendors the District regularly does business with 675
Number of purchase orders generated in a year: 880

Number of non-payroll checks issued in a year: 2,250
Number of paychecks distributed in a pay period: 1
Number of direct deposits in a pay period: 200

H. Computer Software

The business office utilizes a local area network (LAN) that runs on a WinCap – CITRIX operating system with a CITRIX backup software restore. All workstations run Windows 7 Enterprise Service Pack 1 or higher operating system and operate on a PC platform.

I. Availability of Prior Audit Reports and Working Papers

Interested responders who wish to review prior years' audit reports and management letters should contact Martha Clark at the District Office, Elmira Heights Central School District, 2083 College Avenue, Elmira Heights, NY 14903. This District will use its best efforts to make prior audit reports and supporting working papers available to responders to aid their response to this request for proposals.

APPENDIX II

PROPOSER GUARANTEES

- I. The Proposer certifies that it can and will provide and make available, as a minimum, all services set forth in Nature of Services Required
- II. The Proposer has read Appendix and Contractual Requirements, and agrees that the rights and prerogatives as detailed are retained by the Elmira Heights Central School District.
- III. The Proposer agrees to be bound by the contractual requirements delineated in Appendix.

Signature of Official: _____

Name (typed): _____

Title: _____

Firm: _____

Date: _____

APPENDIX III

PROPOSER WARRANTIES

- I. Proposer warrants that it is willing and able to obtain an errors and omissions insurance policy providing a prudent amount of coverage for the willful or negligent acts, or omissions of any officers, employees or agents thereof.
 - II. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the prior written permission of the **Elmira Heights** Central School District.
 - III. Proposer warrants that all information provided by it in connection with this
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proposal is true and accurate.

Signature of Official: _____

Name (typed): _____

Title: _____

Firm: _____

Date: _____

APPENDIX IV
SCHEDULE OF AUDIT QUOTATIONS

	AS PROPOSED		
	<u>2018</u>	<u>2019</u>	<u>2020</u>
Audit of general purpose financial statements, and all other services not separately listed below.	_____	_____	_____
Single Audit	_____	_____	_____
Audit of Extra-classroom Activity Fund	_____	_____	_____
TOTAL ALL-INCLUSIVE MAXIMUM PRICE	\$ _____	\$ _____	\$ _____

APPENDIX V

**SCHEDULE OF FEES FOR ADDITIONAL SERVICES AND AUDITS IF REQUESTED
BY ELMIRA HEIGHTS CENTRAL SCHOOL DISTRICT**

	<u>HOURLY RATE</u>
PARTNERS	_____
MANAGERS	_____
SUPERVISORY STAFF	_____
STAFF	_____
OTHER (SPECIFY)	_____

