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# **GAVIN SCHOOL DISTRICT 37**

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## **Audit Services Request for Proposals**

# **DRAFT**

**NOVEMBER 4, 2019**  
**GAVIN SCHOOL DISTRICT 37**  
**25775 W. Highway 134, Ingleside, IL 60041**

November 4, 2019

«Company»  
«Attn»  
«Address»  
«City», «State» «Zip»

«Attn»:

Gavin School District 37 (the “District”), a public school district serving approximately 800 students in grades pre-kindergarten through eight at two educational sites. The District covers approximately seven square miles in unincorporated Lake County.

The District is accepting proposals to engage the services of an Independent Auditor to provide comprehensive audit and financial reporting services for a three-year period (for fiscal years 2019-20, 2020-21 and 2021-22), renewable annually, and potentially extended thereafter at the discretion of the Board of Education.

The District maintains its financial records and prepares financial reports using Skyward School Financial Management Software.

The District operates an annual budget of approximately \$13.5 million (*the 2019-20 budget includes \$4.0 million in construction*), not including the approximately \$3.1M of pension-related “on behalf” payments made directly by the State of Illinois to the Teachers’ Retirement System for the District. We currently have two issues of debt outstanding that is funding capital improvements during the summers of 2019 and 2020.

Revenues are generated primarily through local property taxes, state evidence based funding, mandated categorical and grant programs, and Federal Title, ESEA and Medicaid grant funding.

The Districts Financial Profile Score, as determined by the Illinois State Board of Education, has been in the financial review category for the last four years.

The District uses the cash basis of accounting. A Single Audit is not required, as the District does not exceed the \$750,000 threshold regarding the receipt of Federal Funds annually.

Please provide a response to this request for proposal to provide all-inclusive audit services for auditing the District’s financial records, internal controls structure, and preparing the required reports, statements, schedules, footnotes, letters, opinions and related items.

Further information about the District, or the RFP process, can be obtained by contacting Rebecca J Allard, Business Manager/Treasurer, via cell phone (847-287-3809) (or e-mail ([rallard@gavin37.org](mailto:rallard@gavin37.org)), or in writing to Rebecca J. Allard in the Business Office (25775 West Highway 134, Ingleside, IL 60041).

The main tasks to be performed by the Auditor for the District are as follows:

1. Development of an Audit Engagement Letter and Management Representation Letter, as well as any pre-audit testing schedules, documentation requirements, report needs and audit confirmation lists that may be needed.
2. Completion of an audit of all school district General, Operating and Trust/Agency Funds, resulting in the issuance of audited financial statements, accompanying footnotes, supplementary schedules and all necessary auditor's reports, as well as all required management and internal control reports, in accordance with Generally Accepted Accounting Standards and Principles, and Governmental Auditing Standards requirements. This would also include a review of the Management Discussion and Analysis section of the audited financial statements which the school district staff will prepare based on samples provided by the Auditor.
3. Completion of the Illinois School District Annual Financial Report (ISBE Form 50-35), and if necessary, the Federal Single Audit Report, and all associated schedules and check lists, as well as the presentation of audit results to the Board of Education. Assistance in filing the AFR and Single Audit with ISBE and the Federal Single Audit Clearinghouse is also required.
4. An audit of school district Student Activity Funds, Convenience Accounts, and Trust and Agency Funds, the resulting schedule(s) of which will be provided as part of the audited financial statement reports. Appropriate internal control and management reports should also be included, as needed.
5. Preparation and completion of all other miscellaneous statements, reports, letters, opinions or other information, as required, by all pertinent and appropriate Federal and State legislative or regulatory agencies.

Twelve (12) copies of the final audit report and associated information will be required no later than one-hundred twenty (120) days after the end of the audit period. All statements and reports will be prepared on the cash basis of accounting. Additionally, the audit work shall include the preparation of any other special reports or forms required by the Illinois State Board of Education, the United States Department of Education, the State of Illinois, the Federal Government, or any related agencies or associations applicable to public education institutions.

All audits shall be performed by properly licensed independent auditors in accordance with Generally Accepted Auditing Standards and Governmental Auditing Standards. The audit must be designed and implemented with all applicable auditing standards in mind, including but not limited to several recent Statements on Auditing Standards (SAS's) related to risk assessment and financial reporting. Generally Accepted Auditing Standards (GAAS) and Generally Accepted Accounting Principles (GAAP) should be followed, and as such, there must be a proper study and evaluation of the District's system of internal controls and management policies and procedures. This study will determine the nature, extent and timing of the audit procedures used and the testing completed for the Auditor to formulate an opinion on the financial statements and internal controls. Since this study and evaluation is an intricate part of the audit process, and very useful for the District to address any deficiencies or implement any recommendations made by the Auditor, a separate letter of findings and recommendations regarding internal controls and management policies should be prepared and submitted by the Auditor in a timely manner.

Separate hourly rates for consulting services should be provided. Individual or special projects may be undertaken on a case-by-case basis and costs for these projects will be negotiated after a mutually agreed upon scope of work and project design have been determined collectively by the District and the Auditor. Related to the audit, if the scope of work changes significantly for any reason, the District and the Auditor will work together to agree on the changed scope of work and any associated change in audit fees related to this change in scope. The RFP response should also provide background information about the audit firm and the personnel proposed to be used on this job, their experience in conducting similar type audits, a list of references of similar organizations audited (IL School Districts), and any other information which the Auditor feels might be helpful in evaluating their proposal. It is understood that the audit work papers shall remain the property of the Auditor. The Superintendent or Business Manager of the District shall be given access to the audit work papers and shall have the right to copy said work papers pertaining to any audits for a period of up to ten years, as needed.

The Auditor selected will have full access to all applicable school districts records and staff. We believe that we have an excellent staff and a sound record keeping system, so all information needed to complete the audit should be readily available for use and inspection. We will provide the auditor with a general ledger, a schedule of investments, monthly financial statements and Treasurer's reports, all applicable reconciliations, all information needed for confirmation work, accounts payable and receivable detail, invoices and bill detail, payroll and personnel records, capitalization and depreciation information, prior year audit reports and any other information that is available and needed by the Auditor.

This RFP is being completed as a matter of best practice. Evans, Marshall & Pease, P.C. Certified Public Accountants and Consultants have been our Auditors for the past several years. Copies of prior year audit reports can be viewed or provided, as needed. Audit work papers can be viewed by contacting Evans, Marshall & Pease, P.C. Certified Public Accountants and Consultants at (847) 221-5700.

All formal responses are due in the District Office (25775 West Highway 134, Attention: Rebecca J Allard, Ingleside, IL 60041) by 2:00PM on Tuesday, December 3, 2019. The District will begin reviewing all responses received the following week. Please provide five (5) hard copies and one electronic copy of your proposal for the Board Facility & Finance Committee. We hope to narrow our list of potential finalists down to 2-3 firms by the end of December, and conduct interviews in early January. We anticipate bringing a formal recommendation to the Board of Education at the January 28, 2020 Board Meeting, and with Board approval engaging an Auditor shortly thereafter.

Our review will be based on the following criteria:

Please include in your proposal the following sections or tabs –

- I. Title Page
- II. Table of Contents
- III. Letter of Transmittal (your understanding of the work to be completed)
- IV. Firm Resume and Staff Qualifications
- V. Audit Team Profile (the staff who would be assigned to this audit)
- VI. Description of Scope and Timing of proposed services (timetable for work)
- VII. Summary of Audit Approach to be used (work design/work plan/philosophy)
- VIII. Illinois School District References (at least 4 current and 1 former client)
- IX. Fee Schedule and Hourly Rates
- X. Additional Information (that you feel might be pertinent for our review)

The general criteria and areas being evaluated include, but are not limited to, the following:

1. Extensiveness and completeness of the audit services proposal.
2. A general description of the firm and the qualifications and experience of the company and audit staff with regards to school district audits in Illinois. *Please provide a copy of all peer review reports completed in the last five years, along with your Illinois School District references.*
3. Cost effectiveness of the proposed three-year fee schedule and the scope of services to be provided under the proposal. *Include a brief description of the overall audit approach to be used, as well as an estimated allocation of staff hours and timing for the various tasks involved in the scope of work. Finally, provide 2-3 samples of audited financial statements/reports from similar clients for review.*
4. Familiarity with the District's operations and any prior working experience and relationship the District has had with the Auditor or Audit Staff, as well as familiarity and experience related to similar sized school district audits in Illinois. *Please address what additional procedures are required in first year audits and what you do to make that first-year audit transition easier/seamless for the District?*
5. Accessibility and ability to respond to District needs in a timely manner. *Why should the District choose your firm...i.e., what sets you apart from your competition?*
6. Other relevant facts and information obtained through reference checks, as well as any subsequent conversations with prospective audit firms.

The District reserves the right to accept or reject any proposals for any reason, as is deemed to be in its best interest. The District may request additional information from prospective responders as part of the review and evaluation process.

The District reserves the right to schedule final interviews and/or presentations with any responders in January of 2020. The District's administration hopes to make a recommendation to the Board of Education at the January 28, 2020 Regular Board Meeting. We anticipate that planning for the FY 2019-2020 audit would begin immediately thereafter. The actual preliminary audit field work should occur sometime in late May/early June with the balance of the audit fieldwork in late July and August.

A presentation of the Audited Financial Statements and any Supplementary Findings/Information shall be presented at our Regular Board Meeting in October of each year.

If there are any questions about this RFP, or the scope of work to be completed, please do not hesitate to contact Rebecca Allard as previously outlined above.

Sincerely,

Rebecca J Allard  
Business Manager, Gavin School District 37  
Cell (814) 287-3809  
Email [rallard@gavin37.org](mailto:rallard@gavin37.org)

CC: Board of Education  
Julie Brua, Superintendent

**Gavin School District 37  
Fee Summary Schedule**

	<u>Proposed Audit Fee</u>	<u>Additional Hourly Rate</u>
FY 2019-20 Audit Services:	_____	_____
FY 2020-21 Audit Services:	_____	_____
FY 2021-22 Audit Services:	_____	_____

**Standard Hourly Rates for other projects/services:**

	<u>(2019-2020)</u>	<u>(2020-2021)</u>	<u>(2021-2022)</u>
Senior Partner	_____	_____	_____
Partner	_____	_____	_____
Manager	_____	_____	_____
Senior Audit Staff	_____	_____	_____
Junior Audit Staff	_____	_____	_____
Administrative Support	_____	_____	_____

**Submitted by:**

Name of Firm: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City/State/Zip Code: \_\_\_\_\_

Telephone/Fax Number: \_\_\_\_\_

Contact Name and Title: \_\_\_\_\_

Contact Phone Number: \_\_\_\_\_

Contact E-mail Address: \_\_\_\_\_

Signature: \_\_\_\_\_