



**NORTH SLOPE BOROUGH SCHOOL DISTRICT**  
**M E M O R A N D U M**

**TO:** Nancy Rock, President  
Members of the School Board

**THROUGH:** David Vadiveloo, Chief School Administrator *DV*

**FROM:** Dennis Niedermeyer, Interim Director of Finance

**DATE:** June 27, 2022

**SUBJECT:** Contracts over \$10,000- Altman Rogers & Co      **Memo No: SB22-228**  
(Action Item)

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**2020-2025 STRATEGIC PLAN SUMMARY**

**4.0 FINANCIAL & OPERATIONAL STEWARDSHIP:** Effectively employ our operational and financial resources to support our strategic goals and long-term stability of the district.

**4.2 FINANCIAL STEWARSHIP/MANAGEMENT:** Ensure financial management based on what is best for our students.

**Issue Summary:**

In accordance with applicable Board policy, BP 3312, contracts and MOA's \$10,000 or greater require Board approval. Additionally, as prescribed in Board Policy 3400 Management of District Assets/Accounts, specifically under Audits, the Board shall provide for an annual audit of district accounts by a public accountant who has no personal interest in district fiscal affairs. The audit shall be conducted in accordance with the requirements of state regulations. A certified copy of the audit will be filed with the state Commissioner of Education by November 15 of each year, for the year ending the preceding June 30. Additionally, under Board Policy 3000, the Board under item 6, the Board reviews the annual audit of district accounts and business procedures.

**Background:**

The School District through the Business Office will commence preparing for the FY22 Audit in the coming months. In doing so, the School District will need to work with the Auditors and the School Board in establishing an Audit Plan and timeline. The School Board appointed KPMG LLP in FY21 to conduct the District FY21 Financial and State and Federal Single Audits. Based upon information provided by the former VFO and current Director of Finance, the School District wishes to change firms and engage Altman Rogers & Co as the District's new Auditors for the FY22 Audit. Altman Rogers currently completes audits for 20 of the 53 Alaska school districts, is very familiar with the federal and state compliance requirements specific to school districts and is available to commence in July. In accordance with BP 3000 and in light of the delayed engagement date, the willingness of the firm to adopt the District as a client and their ability to commence as early as July 2022, the District recommends this engagement. A budget allowance has been included in the FY2023 Budget so this will be an FY23 expenditure.

See attached Engagement Letter for further details.

**Length of Contract:**

The services rendered will be for the FY22 Financial and Federal and State Single Audit. Audit Fieldwork is expected to take place after the year end close for FY22.

**Funding Source and Purchase/Contract Amount:**

Auditing and Accounting Services 100.200.550.000.412 / Contract amount: \$98,000

**Available Budget:**

Provisions have been made for this contract in the FY23 Budget

**Budget Line Transfer:**

Not required

**Grant Funds:**

There are no grant funds associated with the funding of identified contracts.

**Compliance with BP 3311:**

The North Slope Borough School District previously appointed KPMG LLP in FY21 as their external Auditor to conduct the Financial Statement and Federal and Single Audit. Since 2015, the North Slope Borough School District has only engaged two other Alaska based audit firms with capacity to complete an audit of this size, BDO and Altman Rogers. Based on the time-critical nature of this appointment, a determination of what is in the best interests of the District, the specialization of the service and the expertise of the Altman Rogers with school district audits, the previous experience of the District, the availability of Altman Rogers, the lack of availability of KPMG and BDO as advised by the former CFO, and the comparative costing with previous years, BP 3311 does not apply.

**Proposed Motion:**

“I move that the NSBSD Board of Education approve the above \$10,000 and greater Audit Engagement with Altman Rodgers & Co in an amount not to exceed \$98,000 for the FY2022 Financial and State and Federal Single Audit, as described in this memo and related Audit Engagement Letter.”

Moved by \_\_\_\_\_ Seconded by \_\_\_\_\_

Vote \_\_\_\_\_



June 20, 2022

David Vadiveloo, Superintendent  
North Slope Borough School District  
PO Box 169  
Utqiagvik, Alaska 99723

Mr. Vadiveloo,

Altman Rogers & Co. is pleased to submit this letter of interest and price quote for providing audit services to the North Slope Borough School District for the period ending June 30, 2022. Altman Rogers & Co. is the largest locally owned CPA firm in Alaska. The principals of the firm are certified public accountants experienced in auditing municipalities throughout the State of Alaska. Over the past couple of years we have provided attestation services to over 50 governmental entities in Alaska.

Our services will include substantial principal involvement. All principals are actively involved with our engagements. This allows us to make timely decisions on all audit related matters. We feel that this practice will enable us to provide the North Slope Borough School District with the highest quality service.

We anticipate our fee to perform the financial statement audit in accordance with Governmental Auditing Standards, as well as compliance audits in accordance with *Uniform Guidance* and *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* for the period ending June 30, 2022, to be \$98,000 excluding out of pocket costs. A breakdown of the fees is attached to this letter. We will discuss any changes in the fee prior to performing any additional work.

As part of the audit engagement we will prepare the draft financial statements for the District. It is the District's responsibility to have an individual with adequate knowledge of financial reporting review the statements and take responsibility for their completeness. The fee noted above includes this service.

We plan on beginning the fieldwork for the audit at a date to be agreed upon by both parties. If you have any questions please feel free to contact me via email at [steve@altrogco.com](mailto:steve@altrogco.com) or by phone at 907-274-2992. Thank you for the opportunity to submit this letter of interest and price quote. We look forward to hearing back from you.

ALTMAN ROGERS & CO.

Steve Wadleigh, CPA  
Principal

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Members of the School Board  
North Slope Borough School District  
Page 2 of 2

***Estimated Fees:***

**Fieldwork:**

Audit fieldwork, financial statement review \$ 98,000

The total estimated fee of \$98,000 assumes management will prepare a draft of the financial statements. The financial statement review includes continuing implementation of GASB Statements 68 and 75 related to pension and OPEB liabilities as well as implementation of GASB 87 Leases.

This estimate is based on anticipated cooperation from your personnel, the assumption that unexpected circumstances will not be encountered and that significant deficiencies and/or material weaknesses will not be discovered during the audit. Additionally, if significant deficiencies or material weaknesses are found, our fees related to additional required work will be based on our hourly rates. If significant additional time is necessary, we will discuss it with you and arrive at a new fee before we incur the additional costs. Preparation of the Data Collection Form for the Federal Audit Clearinghouse will be billed separately. All out-of-pocket costs will be billed at actual. Out-of-pocket costs include typing, printing, postage, and related travel costs associated with fieldwork.

**RESPONSE:**

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of North Slope Borough School District by:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_