

REQUEST FOR PROPOSALS

PROFESSIONAL AUDITING SERVICES
(RFP #PAS-1)

November 20, 2020

Cornwall Central School District
24 Idlewild Avenue
Cornwall-on-Hudson, NY 12520

Harvey Sotland
Assistant Superintendent for Business
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Phone 845-534-8009, Fax 845-534-9032

Cornwall Central School District

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I. INTRODUCTION

A. General Information

The Cornwall Central School District ("District") is requesting proposals from qualified firms of certified public accountants ("Auditors") to audit its financial statements for the fiscal year ending June 30, 2021. The audits are to be performed in accordance with generally accepted standards as set forth by the American Institute of Certified Public Accountants, generally accepted government auditing standards set forth for financial audits in the General Accounting Office's (GAO) Government Auditing Standards (1994) and the provisions of the Amended Single Audit Act (1996) and U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State and Local Governments.

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

To be considered, an original and six (6) copies of a proposal must be received by Harvey Sotland, Assistant Superintendent for Business at 24 Idlewild Avenue, Cornwall-on-Hudson, NY 12520 by 10:00 AM, prevailing time, on December 14, 2020. The District reserves the right to reject any or all proposals submitted.

During the evaluation process, the District reserves the right, where it may serve the District's best interest, to request additional information or clarifications from proposals, or to allow corrections of errors or omissions. At the discretion of the District, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

The District reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. 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 District and the firm selected.

It is anticipated that the selection of a firm will be completed by January 25, 2021. Following the notification of the selected firm, a contract will be executed between both parties as soon as possible thereafter.

B. Term of Engagement

A five (5) year contract to audit fiscal years ending June 30, 2021, 2022, 2023, 2024 and 2025 is requested, subject to annual review and appointment of the firm by the District's Board of Education as the District's external auditor.

C. Subcontracting

No subcontracting is permitted without the express prior written consent of the District.

II. NATURE OF SERVICES REQUIRED

A. General

The District is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the fiscal year ending June 30, 2021, 2022, 2023, 2024 and 2025. The audits are to be performed in accordance with the provisions contained in this request for proposals.

B. Scope of Work

The 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).

Additionally, the auditor is required to audit the schedule of federal awards as required by the OMB Compliance Supplement.

C. Auditing Standards

To meet the requirements of this request for proposals, the audit shall be performed in accordance with:

Generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, generally accepted government auditing standards set forth in the U.S. General Accounting Office's Government Auditing Standards (2003), the provisions of the Amended Single Audit Act (1996) and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133 (1997).

D. Reports to be Issued

Following the completion of the audit of the fiscal year's financial statements, the Auditor shall issue, at a minimum:

1. Independent Auditor's Report on Basic Financial Statements with Accompanying Required Supplementary Disclosures and Supplementary Information.
2. Management Discussion and Analysis
3. Statement of Net Assets
4. Statement of Activities
5. Balance Sheet - District Funds
6. A 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
7. Statements of Revenues, Expenditures, Expenditures and Changes in Fund Balances

- District Funds.

8. Reconciliation of District Funds Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities
9. Statement of Fiduciary Net Assets - Fiduciary Funds and Statement of Changes in Fiduciary Net Assets - Fiduciary Funds
10. Notes to the Financial Statements
11. Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual - General Fund
12. Schedule of Change From Adopted Budget to Revised Budget - General Fund
13. Schedule of use of Unreserved Fund Balance - General Fund
14. Schedule of Project Expenditures - Capital Project fund
15. Schedule of Certain Revenues and Expenditures compared to ST-3 Data
16. Combined Balance Sheet - Non-Major District Funds (if applicable)
17. Combined Statement of Revenues, Expenditures, and Changes in Fund Balance- Non-Major District Funds (if applicable)
18. Schedule of Investment in Capital Assets, Net of Related Debt
19. Schedule of Expenditures of Federal Awards
20. Notes to Schedule of Federal Awards (if applicable)
21. Independent Auditor's Report on the Internal Control Structure Based on an Audit of General Purpose Financial Statements Performed in Accordance with Government Auditing Standards.
22. Independent Auditor's Report on Compliance Based on an Audit of General Purpose Financial Statements Performed in Accordance with Government Auditing Standards.
23. Corrective Active Plan for A-133 audit findings for federal awards (if applicable)
24. Independent Auditor's Report on Internal Control Related to the Financial Statements and Major Program (if applicable)
25. Independent Auditor's Report on Compliance with Laws, Regulation, and the Provisions of Contracts or Grant Agreements (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.

Irregularities and Illegal Acts: 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.

E. 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 six (6) years, unless the firm is notified in writing by the District of the need to extend the retention period. The auditor is required to make working papers available, upon request, to the following parties or their designees:

- Cornwall Central School District
- U.S. Department of Education
- U.S. General Accounting Office
- Parties designated by the federal or state government or by the District as part of an audit quality review process
- Auditors of entities of which the District is a sub-recipient of grant funds

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.

III. DESCRIPTION OF THE DISTRICT

A. District Contact Person

The Auditor's principal contacts with the District will be Harvey Sotland, Assistant Superintendent for Business (hsotland@cornwallschools.com), and the Celine Maxwell, District Treasurer (cmaxwell@cornwallschools.com). Contact information – Phone number is 845-534-8009, Fax number is 845-534-9032.

B. Background Information

The District provides educational services from kindergarten through the twelfth grade. The District, located in Orange County in the State of New York, is approximately 60 miles north of New York City. The District has a student population of approximately 3,100. The approved annual budget for 2020-21 is \$75,544,952. The District has three elementary schools, one middle school and one high school. The District has approximately 494 full and part-time employees. The District is governed by nine Board of Education members and is a component member of the Orange-Ulster BOCES.

The accounting and financial reporting functions of the District are centralized. The District's accounting and financial reporting functions are computerized and fully integrated. The District's secondary level, grades 5 - 12, have recognized Extraclassroom activities.

More detailed information on the District and its finances can be found in the District's latest financial statements and budget documents located on the District's website (www.cornwallschools.com).

C. Fund Structure

The District uses the following fund types in its financial reporting:

- General Fund
- Special Aid Fund
- School Lunch Fund
- Debt Service Fund
- Capital Fund
- Fiduciary Fund
- Trust and Agency Fund

D. Budgetary Basis of Accounting

The 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.

E. Pension and Other Plans

The District participates in the New York State and Local Employees' Retirement System and New York State 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 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 other districts in the Orange Ulster 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: 1460

Number of purchase orders generated in a year: 1610

Number of non-payroll checks issued in a year: 9350

Number of paychecks distributed in a pay period: 630

H. Availability of Prior Audit Reports

Interested responders who wish to review prior years' audit reports can find them on the District website (www.cornwallschools.com).

IV. **TIME REQUIREMENTS**

A. Proposal Calendar

The timeline set out herein represents the District's best estimate of the schedule that will be followed. However, delays may occur which necessitate adjustments to the proposed schedule. The anticipated schedule is as follows:

Posting of RFP on District's website	November 20, 2020
Final Date for Submission of Questions	December 4, 2020
Proposal Submission Deadline	December 14, 2020
Audit Committee Recommendation to BOE	January 15, 2021
Expected Award Date (Board of Education)	January 25, 2021

B. Notification Dates

Selected firm notified January 26, 2021

C. Date Audit Shall Commence

It is expected the interim work will begin prior to June 30 on a schedule to be established.

D. Schedule for Fiscal Year Audit

Each of the following should be completed by the Auditor no later than the dates indicated:

Interim Work: The Auditor shall complete interim work on a timely basis throughout the year in order to commence detailed audit field work.

Detailed Audit Plan: The Auditor shall provide the District with both a detailed audit plan and a list of all schedules requested before the end of the fiscal year.

Fieldwork: The Auditor shall complete all fieldwork by approximately August 31.

Draft Reports: The Auditor shall have drafts of the audit reports and recommendations to management available for review by the Audit Committee and the Assistant Superintendent for Business by September 24.

Final Report: The final report and twelve (12) signed copies shall be delivered to the Assistant Superintendent Business at the District Administrative Offices by October 14. One copy shall be submitted in digital format.

Presentation to the Board of Education: The Auditor shall present the findings of the Audit report to the BOE at a mutually agreed upon date before the end of October.

E. Entrance and Exit Conferences

At a minimum, the following conferences will be held as indicated at a mutually convenient time:

Entrance Conference to be held with Audit Committee, the Superintendent of Schools, and the Assistant Superintendent for Business. The purpose of this meeting will be to discuss prior audits and the interim work to be performed.

Exit Conference to be held with Audit Committee, the Superintendent of Schools, and the Assistant Superintendent for Business. The purpose of this meeting will be to summarize the results of the fieldwork and to review significant findings.

V. **PROPOSAL REQUIREMENTS**

A. General Requirements

1. Inquiries

All inquiries concerning the Request for Proposals to be made to:
Mr. Harvey Sotland
Assistant Superintendent for Business
Cornwall Central School District
24 Idlewild Avenue
Cornwall-on-Hudson, NY 12520
845-534-8009 x7104 hsotland@cornwallschools.com

2. Submission of Proposals

The following material is required to be received by 10:00 am EST, December 14, 2020, for a proposing firm to be considered. The submittal should consist of an original and six (6) copies of the proposal.

a. Title Page

Referencing the RFP subject; the firm's name; the name, address and telephone number of a contact person; date of the proposal.

b. Transmittal Letter

A signed letter of transmittal briefly stating the responder's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes itself to be best qualified to perform the engagement and a statement that the proposal is a firm offer to provide professional auditing services.

c. Independence

The firm should provide an affirmative statement that it is

independent of the District as defined by generally accepted auditing standards/the U.S. General Accounting Office's Government Auditing Standards (1994).

d. Prior Single Audit Experience

The firm should include prior or current engagements pursuant to the Amended Single Audit Act and Office of Management and Budget Circular A-133.

e. Firm Qualifications and Experience

The proposer 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; the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis.

The firm is also required to submit a copy of the report on its most recent external quality control review.

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 federal or state regulatory bodies or professional organizations.

f. Partner, Supervisory and Staff Qualifications / Experience

Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement, along with individual resumes for each. Indicate whether each such person is registered or licensed to practice as a certified public accountant in New York State. Provide information on the government auditing experience of each person.

Provide as much information as possible regarding the number, qualifications, experience and training of the specific staff to be assigned to this engagement.

g. Similar Engagements with Other School Districts

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum-5) performed in the last two years that are similar to the engagement described in the Request for Proposals, including reference contact information.

h. 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. In developing the work plan, reference should be made to such sources of information as the District's budget and related materials, organizational chart, programs, and financial and other management information systems.

Proposers will be required to provide the following information on their audit approach:

1. Proposed segmentation of the engagement.
2. Level of staff and number of hours to be assigned to each proposed segment of the engagement.
3. Sample size and type and extent of testing
4. Approach to be taken to gain and document an understanding of the District's internal control structure.
5. Approach to be taken in determining laws and regulations that will be subject to audit test work.
6. Approach to be taken in drawing audit samples for purposes of tests of compliance.

i. Non-Collusive Certification

A completed Non-Collusive Certification (See Appendix C)

j. Iran Divestment Act Certification

A completed Iran Divestment Act Certification (See Appendix D)

k. Guarantees and Warranties

A completed Proposer's Guarantees and Warranties (See Appendix A).

B. Total All-inclusive Maximum Price

The proposal 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 bid is to contain all direct and indirect costs including all out-of-pocket expenses. The maximum price should provide for advice and counsel to the District throughout the term of the engagement (see Appendix B).

The District will not be responsible for expenses incurred in preparing and submitting the proposal. Such costs should not be included in the proposal.

The proposal should include a total all-inclusive maximum price for the June 30, 2021, June 30, 2022, June 30, 2023, June 30, 2024, and June 30, 2025 engagements.

C. Rates for Additional Professional Services

If it should become necessary for the District to request the auditor to render any additional services to either supplement the services requested in this request for proposals or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between the District and the firm. Any such additional work agreed to between the District and the firm shall be performed at the rates set forth in the schedule of fees and expenses included in the proposal (see Appendix B).

VI. FINAL SELECTION

A. Proposal evaluation criteria will include, but not be limited to:

- Expertise and Experience – Experience of firm, size and experience of staff, specialized skills, and expertise in NYS school district audits.
- Results of peer review.
- References
- Adequacy of proposed staffing plan for various segments of the engagement.
- Adequacy of audit approach, including sampling techniques.
- Fee – Cost will be a consideration, but will not be the primary factor in the selection of an audit firm.

During the evaluation process, the District’s Audit Committee may, at its discretion, request any one or all firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the Audit Committee or Board of Education may have on a firm's proposal.

B. It is anticipated that a firm will be selected by January 25, 2021. Following notification of the firm selected, it is expected a contract will be executed between both parties as soon as possible.

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 contract between the District and the firm selected. The District reserves the right without prejudice to reject any or all proposals.

APPENDIX A

PROPOSER GUARANTEES / WARRANTIES

- The Proposer certifies it can and will provide and make available, as a minimum, all services set forth in the Nature of Services Required.
- Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the prior written permission of the District.
- Proposer warrants that all information provided by it in connection with this proposal is true and accurate.

Authorized Signature: _____

Name: _____

Title: _____

E-mail: _____

Firm: _____

Date: _____

APPENDIX B
STATEMENT OF FEES

Audit fee for the year ending June 30, 2021: _____

Audit fee for the year ending June 30, 2022: _____

Audit fee for the year ending June 30, 2023: _____

Audit fee for the year ending June 30, 2024: _____

Audit fee for the year ending June 30, 2025: _____

Hourly rate for additional / supplemental services:

	<u>Partners</u>	<u>Managers</u>	<u>Professional Staff</u>	<u>Clerical</u>
Incurred for:				
Y/E 6/30/21:				
Y/E 6/30/22:				
Y/E 6/30/23:				
Y/E 6/30/24:				
Y/E 6/30/25:				

Submitted by the Firm: _____

Authorized Signature: _____

Name: _____

Title: _____

Date: _____

APPENDIX C

NON-COLLUSIVE CERTIFICATION

- These prices have been arrived at independently without collusion, consultation, communication or agreement, for the purpose of restricting competition, as to any matter relating to such prices with any competitor.
- Unless otherwise required by law, the prices which have been quoted have not been knowingly disclosed and will not knowingly be disclosed prior to opening, directly, or indirectly, to any other competitor, and
- No attempts have been made or will be made by the proposer to induce any other person, partnership, or corporation to submit or not to submit a quote for the purpose of restricting competition.

I hereby affirm under the penalties of perjury that the following statement is true.

I also acknowledge notice that a false statement made in the foregoing is punishable under Article 210 of the Penal Law.

Submitted by the Firm: _____

Authorized Signature: _____

Name: _____

Title: _____

Date: _____

APPENDIX D

IRAN DIVESTMENT ACT CERTIFICATION

The Iran Divestment Act of 2012 (“Act”), Chapter 1 of the 2012 Laws of New York, added State Finance Law (SFL), §165-a and General Municipal Law §103-g, effective April 12, 2012. Under the Act, the Commissioner of the New York State Office of General Services (“OGS”) developed a list (“Prohibited Entities List”) of “persons” who are engaged in “investment activities in Iran” (both are defined terms in the law). In accordance with SFL §165-a(3), the Prohibited Entities List may be found at the OGS website: <http://www.ogs.ny.gov/about/regs/docs/ListofEntities.pdf>

Pursuant to General Municipal Law §103-g, by signing below, Bidder certifies as true under the penalties of perjury that: By submission of this proposal each Bidder and each person signing on behalf of any Bidder certifies, and in the case of a joint proposal each party thereto certifies as to its own organization, under penalty of perjury, that to the best of its knowledge and belief that each Bidder is not on the list created pursuant to paragraph (b) of subdivision 3 of section 165-a of the State Finance Law.

A proposal shall not be considered for award nor shall any award be made where the certification has not been made, provided, however, that if in any case the Bidder cannot make the certification, the Bidder shall so state and shall furnish with the proposal a signed statement which sets forth in detail the reasons therefor. The Cornwall Central School District (“District”) may award a contract to a Bidder who cannot make the required certification on a case-by-case basis if:

- 1) The investment activities in Iran were made before April 12, 2012, the investment activities in Iran have not been expanded or renewed after April 12, 2012, and the person has adopted, publicized, and is implementing a formal plan to cease the investment activities in Iran and to refrain from engaging in any new investments in Iran: or
- 2) The District makes a determination that the goods and services are necessary for the District to perform its functions and that, absent such exemption, the political subdivision would be unable to obtain the goods or services for which the contract is offered. Such determination shall be made in writing and shall be a public document.

During the term of the Contract, should the District receive information that a person is in violation of the above-referenced certifications, the District will offer the person an opportunity to respond. If the person fails to demonstrate that it has ceased its engagement in the investment which is in violation of the Act within 90 days after the determination of such violation, then the District shall take such action as may be appropriate including, but not limited to, imposing sanctions, seeking compliance, recovering damages, or declaring the contractor in default.

The District reserves the right to reject any bid, proposal, contract or request for assignment for an entity that appears on the Prohibited Entities List prior to the award or execution of a contract or any renewal thereof, as applicable, and to pursue a responsibility review with respect to any entity that is awarded a contract and appears on the Prohibited Entities List after contract award.

DATE

SIGNATURE

BUSINESS NAME

PRINTED NAME

TITLE