



**ROCKFORD BOARD OF EDUCATION
REQUEST FOR PROPOSAL ON SUPPLIES, MATERIALS, EQUIPMENT OR
SERVICES FOR SCHOOL DISTRICT NO. 205
ROCKFORD, ILLINOIS**

RFP No. **19-18 Financial and Compliance Audit Services**

DATE: **January 29, 2019**

RE: **ADDENDUM NO. 1**

To All Bidders:

Included are modifications, clarifications and/or corrections for the Project Manual and are hereby made a part of the contract documents. Please attach this addendum to the Project Manual(s) in your possession. Please note the receipt of this addendum on the bid form. Bidders shall review changes to all portions of this work as changes to one portion may affect the work of another.

If you plan to hand deliver your RFP submission on the due date, please note you must check in on the 2nd floor prior to coming to the bid opening. Please allow time for this as late submission will not be accepted.

Refer all questions relative to the business aspect, Instructions to Bidders, Special Conditions, and questions concerning the technical aspect of the documents to the Director of Purchasing by email at purchasingdeptstaff@rps205.com.

CLARIFICATIONS

This addendum includes responses to Requests for Information (RFI) submitted to date and a copy of our most recent State Adult Education and Family Literacy Compliance Report.

ROCKFORD BOARD OF EDUCATION

By: Dane Youngblood
Director of Purchasing

CLARIFICATIONS

Below are Requests for Information (RFI) submitted to date, along with corresponding responses:

1. Does the School District have or expect any new debt issuances in the current or subsequent years?
 - a. We do not expect any new debt issuances at this time.
2. What is the form of the School District's Capital Asset records? Are these routinely updated and reconciled? Does the School District have or expect any significant new capital projects in the current or subsequent years?
 - a. Capital Assets are maintained in our general ledger system – Power School – Business Plus. These are reconciled on a monthly basis. We do not expect any new capital projects at this time. We are in the final stages of our current facilities master plan, which included building 2 new schools.
3. Have there been any significant changes in internal controls, processes, personnel, etc. in the last fiscal year? How long have the accounting personnel held their position?
 - a. This is a continuous process, with significant improvements being made over the past two years. 1 year for most accounting staff, CFO/Executive Director of Finance 2 plus years.
4. The Services Required in the RFP note that the auditors are to prepare a State Education and Family Literacy Compliance Report. Please provide the most recent report.
 - a. This report is included in this addendum.
5. Was there a Management Letter issued last year? If so, please furnish a copy.
 - a. This information can be found on our website at the following link:
<http://www3.rps205.com/District/Documents/Finance/18%20CAFR%20-%20RPS.pdf>
6. How many days were the prior auditors on-site for fieldwork?
 - a. Approximately 3 weeks and 3 days for preliminary fieldwork.
7. Approximately, how many journal entries occurred last year as a result of the audit process?
 - a. (2) AJEs – All immaterial to the financial statements. Please visit website for more information. The total effect on net income for both entries were \$78,931.50.
8. Were there any concerns with the performance of services of your previous auditor? If so, what was the nature of these concerns? Were there any disagreements or disputes with the prior auditor?
 - a. The answer to all of these questions is no.
9. What is the most important quality the School District looks for in their auditor?
 - a. The School District's most important qualities are going to be the qualifications of the firm and their ability to meet deadlines.



**ROCKFORD PUBLIC SCHOOLS,
DISTRICT #205
ROCKFORD, ILLINOIS**

STATE ADULT EDUCATION AND FAMILY LITERACY
RESTRICTED FUNDS

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

For the Year Ended June 30, 2018



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ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS
STATE ADULT EDUCATION AND
FAMILY LITERACY RESTRICTED FUNDS
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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Rockford Public Schools District 205
Rockford, Illinois

We have audited the accompanying balance sheet of the Rockford Public Schools, District #205 (the District) State Adult Education and Family Literacy Grant Program as of June 30, 2018, and the related statement of revenues, expenditures, and changes in fund balances for the year then ended, and the related notes to financial statements which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and the guidelines of the Illinois Community College Board's *Adult Education and Literacy Audit Requirements*; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the guidelines of the Illinois Community College Board's *Adult Education and Literacy Audit Requirements*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We also reviewed the compliance with the provisions of the agreement between the District and the Illinois Community College Board. We believe that the audit evidence we have obtained is sufficient and appropriate to provide for a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Rockford Public Schools, District #205's State Adult Education and Family Literacy Grants as of June 30, 2018, and the changes in financial position for the year ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The accompanying balance sheet and statement of revenues and expenditures and changes in fund balance were prepared for the purpose of complying with the terms of the ICCB Grants and are not intended to be a complete presentation of the District's revenues and expenditures in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming opinions on the balance sheet of the District State Adult Education and Family Literacy Restricted Funds as of June 30, 2018, and the related statement of revenues, expenditures and changes in fund balance for the year then ended. The Schedule of Expenditure Amounts and Percentages for ICCB Grant Funds Only is presented for purposes of additional analysis and is not a required part of these financial statements. This information has been subjected to the auditing procedures applied in the audit of these financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to these financial statements as a whole.

Sikich LLP

Rockford, Illinois
December 6, 2018

**ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS**

**ADULT EDUCATION AND
FAMILY LITERACY GRANT PROGRAM**

BALANCE SHEET

June 30, 2018

	State			
	Basic	Performance	Total	
ASSETS				
Due from other governmental units	\$ 82,362	\$ 183,555	\$ 265,917	
TOTAL ASSETS	\$ 82,362	\$ 183,555	\$ 265,917	
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Due to other funds	\$ 82,362	\$ 183,555	\$ 265,917	
Total liabilities	82,362	183,555	265,917	
FUND BALANCE				
None	-	-	-	
TOTAL LIABILITIES AND FUND BALANCE	\$ 82,362	\$ 183,555	\$ 265,917	

See accompanying notes to financial statements.

**ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS**

**ADULT EDUCATION AND
FAMILY LITERACY GRANT PROGRAM**

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE**

For the Year Ended June 30, 2018

	Actual		
	State Basic	Performance	Total
REVENUES			
Grant revenue	\$ 413,721	\$ 242,202	\$ 655,923
Total revenues	413,721	242,202	655,923
EXPENDITURES			
Direct instruction	397,861	232,990	630,851
Approved indirect costs	15,860	9,212	25,072
Total expenditures	413,721	242,202	655,923
FUND BALANCES, JUNE 30, 2017	-	-	-
FUND BALANCES, JUNE 30, 2018	\$ -	\$ -	\$ -

See accompanying notes to financial statements.

**ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS**

STATE GRANT COMPLIANCE REPORT
AND FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

1. DESCRIPTION OF GRANTS

a. State Basic

The State Basic Grant is awarded to Adult Education and Family Literacy providers to establish special classes for the instruction of persons age 21 and over or persons under the age of 21 and not otherwise in attendance in public school for purpose of providing adults in the community, and other instruction as may be necessary to increase their qualifications for employment or other means of self-support and their ability to meet their responsibilities as citizens, including courses of instruction regularly accepted for graduation from elementary school or high school and for Americanization and General Education Development Review classes. Included in this grant are funds for support services, such as student transportation and child care facilities or provision.

b. Performance

The Performance Grant is awarded to Adult Education and Family Literacy providers based on performance outcomes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Reporting Entity

The State Basic and Performance Grants are reported in the General Fund of the District.

b. Basis of Accounting

The accompanying financial statements are presented on the modified accrual basis of accounting as is required by the Illinois Community College Board (ICCB) *Adult Education and Family Literacy Grant Program*. Expenditures include all accounts payable representing liabilities for goods and services actually received as of June 30, 2018.

ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS
STATE COMPLIANCE REPORT AND FINANCIAL STATEMENTS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Basis of Presentation

The accompanying statements include only those transactions resulting from the Illinois Community College Board (ICCB) State Adult Education and Family Literacy Grant Program. Generally, revenues are recognized to the extent that allowable expenditures have been incurred.

d. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**ROCKFORD PUBLIC SCHOOLS, DISTRICT #205
ROCKFORD, ILLINOIS**

**ADULT EDUCATION AND
FAMILY LITERACY GRANT PROGRAM**

ICCB COMPLIANCE STATEMENT

For the Year Ended June 30, 2018

	Audited Expenditure Amount	Actual Expenditure Amount
STATE BASIC		
Instruction (45% minimum required)	\$ 397,861	96%
General administration (15% maximum allowed)	15,860	4%
PERFORMANCE		
Instruction (45% minimum required)	\$ 232,990	96%
General administration (15% maximum allowed)	9,212	4%

(See independent auditor's report on supplemental information.)