



SCHOOL DISTRICT 69 • SKOKIE / MORTON GROVE

5050 MADISON STREET • SKOKIE, IL 60077 • (847)-675-7666
FAX (847)-675-7675

Addendum 1 to RFP 1801

Date: May 11, 2018

From: Justin Attaway, Business Manager/CSBO

RE: Addendum 1 to RFP 1801 Audit Services

Following several questions from potential participants, District 69 would like to issue the following clarifications to the RFP.

1. Why is the District requesting proposals for auditing services this year? Is it the intent of the District to change auditing firms? **As part of a due diligence review of all professional services, the Board has requested that administration receive proposals from qualified public accounting firms. An audit firm will be chosen based on the quality and content of the proposal and potential oral interview. Preference will not be given to firms based on previous relationships with the District.**
2. If it is the District's intent to change auditing firms, how much will fees determine your selection? We did see the evaluation criteria in the RFP, but fees seem to be a large determining factor by Boards. **While fees are a component of the evaluation criteria, the District will be reviewing all aspects listed in the Selection Criteria. Fees are not intended to be the primary component of the evaluation and selection.**
3. If not precluded by a rotation policy, is it anticipated that your former auditor will be proposing again? **The former auditor was not excluded from the RFP and may submit a proposal for consideration.**
4. Can you provide a list of auditing firms that have been invited to bid? **The RFP was not limited to specific firms. It was displayed publicly on the District's website for any qualified firm to submit proposals. As a result, it is difficult to identify the specific firms that are in possession of the RFP and may submit proposals.**
5. An adverse opinion was issued on the AFR filed with ISBE that is posted on your website. Why did the auditing firm issue an adverse opinion? **There were no audit findings in FY17. It is assumed that the adverse finding is due to the financial statements being prepared on the basis of accounting practices prescribed by the Illinois State Board of Education (ISBE) to demonstrate compliance with ISBE's regulatory basis of accounting**

and budget laws, which is different than accounting principles generally accepted in the United States of America.

6. The RFP requests the final reports be completed and issued to the District by October 1st. The final reports for the past three years have been issued in late October and early November. What were the issues that delayed the release of the financial statements or does the District just want to issue final reports at an earlier date? **There were no issues that delayed the receipt of the final reports. The District would like to advance the timeline for the final reports moving forward.**
7. How does the District track the capital assets? **The District's auditor currently tracks fixed assets and depreciation.**
8. Does each individual School maintain and reconcile an Activity Fund or does the Business Office handle these procedures? **The Business Office is responsible for maintaining and reconciling all activity accounts. Activity accounts are reconciled in QuickBooks.**
9. Does the District anticipate any new bond issues or other new debt for 2018? **Approximately \$10 million in funding bonds were issued at the beginning of 2018. The Board has neither discussed nor approved any future debt issues.**
10. Do you anticipate any significant changes in the federal awards for FY2018? **No significant changes to federal awards are anticipated.**
11. The fee structure section of the RFP requests to provide an additional fee to develop a CAFR. Does the District plan on converting to the modified accrual basis and developing a CAFR in the same fiscal year? **The District is considering a change from cash basis to modified accrual basis and is requesting pricing to consider that change. It is assumed that a CAFR will be developed the same fiscal year as any change to modified accrual basis.**
12. Does the District have their internal control procedures documented? **Yes, procedures have been documented in the Business Office.**
13. Can you provide the audit fees for the past two fiscal years? In the total fees paid, were there any additional fees charged? If so, what were fees for? **The District paid \$10,800 for the FY16 audit and \$12,000 for the FY17 audit. No additional fees were charged during the year.**
14. Did you encounter any challenges with your most recent audit? If so, please describe. **No challenges were encountered in the recent audit.**

15. When will the District be ready for final field work to be performed, year-end closed, bank accounts reconciled and trial balance provided to the external auditor? **Records are typically ready to be provided to the auditor in August.**
16. When did the auditors perform interim fieldwork and final fieldwork last year? How many auditors were on-site and for how many days? **Fieldwork was performed the last week in August. Three auditors (including the audit partner) were on-site for four days total.**
17. Has the District typically had all requested items ready for the auditors when they first arrive for final fieldwork? If not what areas are more difficult for the District to prepare? **The District has not had any difficulty producing any documents requested by the auditor.**
18. What is the size of the District's accounting department? **The Business Office has four full-time staff members: Business Manager, Coordinator of Finance and Operations, Payroll/Benefits Specialist, and Accounts Payable/Business Services Specialist.**
19. What is the current status of the findings identified in the FY 17? Are you anticipating the findings repeating in the current fiscal year? **There were no audit findings in FY17.**
20. Does the District have any plans to commence significant capital projects for the years identified within the scope of the RFP? **The District is in the middle of several phases of construction, which will continue through the years identified in the RFP.**
21. Has the District implemented procedures to allocate benefit costs to the function of which the primary salary has been charged? **Yes, benefit costs are allocated to the same function as the primary salaries.**