

Peekskill City School District
Westchester County, New York

REQUEST FOR PROPOSALS
FOR
PROFESSIONAL
AUDITING SERVICES

January 6, 2003

Ms. Anne M. Frontera
Interim-Assistant Superintendent for Business
Peekskill City School District
1031 Elm Street
Peekskill, NY 10566

Peekskill City School District Request for Proposals – Auditing Services

I. INTRODUCTION

A. General Information

The Peekskill City School District is requesting proposals from qualified firms of certified public accountants to audit its financial statements and extraclassroom activity funds for the fiscal years ending June 30, 2003, 2004 and 2005. These audits are to be performed in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards (GAGAS), issued by the Comptroller General of the United States.

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

To be considered, three (3) copies of a proposal must be received by the Interim-Assistant Superintendent for Business by January 28, 2003. The Peekskill City School District reserves the right to reject any or all proposals submitted.

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

The Peekskill City School 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 Peekskill City School District and the firm selected.

It is anticipated that the selection of a firm will be completed by February 24, 2003. Following the notification of the selected firm, it is expected a contract will be executed between both parties by March 18, 2003.

B. Term of Engagement

A three-year contract is proposed, commencing in 2002-2003, subject to annual review and concurrence of the Board of Education of the Peekskill City School District, and the annual availability of an appropriation.

The auditor as well as the Peekskill City School District shall have the option to cancel the engagement for the audit year(s) 2004 and/or 2005, provided that written notice is given to the other party by January 15th of the year in question.

II. NATURE OF SERVICES REQUIRED

A. General

The Peekskill City School District is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the fiscal years ending June 30, 2003, 2004 and 2005. These audits are to be performed in accordance with the provisions contained in this request for proposals.

B. Scope of Work to be Performed

- The Peekskill City School District desires the auditor to express an opinion on the fair presentation of its general-purpose financial statements and a statement of extraclassroom activity funds in conformity with generally accepted accounting principles. The audit for the period June 30, 2003, must be GASB 34 compliant.

- As necessary, the district may consult with the auditor regarding financial issues including (but not limited to capital project bonds, state aid, special projects, tax questions, compensation structure, negotiations proposals, contingency budgets, 403(b) & 457(b) plans, and IRS Section 125 plans. Such consultations shall be included in the base bid for auditing services in Appendix B.
- From time to time, the district may request to meet with the auditor for consultation or request assistance in the event of an emergency. The auditor is expected to be readily available to meet with the district. In addition, the auditor is expected to attend Board meetings or planning sessions as necessary. Such consultations and presentations shall be included in the base bid for auditing services in Appendix B.

C. Auditing Standards to be Followed

To meet the requirements of this request for proposal, the audit shall be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants as well as the New York State Office of the Comptroller's audit requirements and the provisions of the Single Audit Act Amendments of 1996 and OMB Circular A:133.

The Audit will also comply, where applicable, to the following:

- Government Auditing Standards as issued by the Comptroller General of the United States
- GASB 34
- Audits of the State and Local Government issued by the American Institute of Certified Public Accountants
- New York State Uniform System of Accounts for School Districts, issued by the Office of the State Comptroller
- New York State Regulations of the Commissioner of Education
- *Reportable conditions.* The auditor shall communicate in a letter to management 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.
- *Irregularities and illegal acts.* Auditors shall be required to make an immediate, written report of all irregularities and illegal acts of which they become aware to the following parties:
 - Ms. Anne M. Frontera, Interim-Assistant Superintendent for Business
 - Ms. Judith Johnson, Superintendent of Schools
 - Board of Education Members
- *Reporting to the Peekskill City School District.* Auditors shall assure themselves that the Peekskill City School District is informed of each of the following:
 - The auditor's responsibility under generally accepted auditing standards
 - Significant accounting policies
 - Management judgments and accounting estimates
 - Significant audit adjustments
 - Other information in documents containing audited financial statements
 - Disagreements with management
 - Management consultation with other accountants
 - Major issues discussed with management prior to retention
 - Difficulties encountered in performing the audit

D. Reports, Schedules and Other Communications to be delivered:

- Audited general-purpose financial statements
- The Auditor's report is to cover supplemental schedules and notes. The supplemental schedules are not considered necessary for the fair presentation of the general-purpose financial statements and must be prepared by the auditor in accordance with Section 610.02 of SAS No. 29.

- The amounts included in the general-purpose financial statements are to agree in summary with the Annual Report (S-3).
- Auditor must submit a management letter, when applicable. The auditor must also submit all applicable reports required by GAGAS regarding internal controls and compliance. In addition the auditor must submit a statement of extraclassroom activity funds.
- Single Audit Act of 1996 and OMB Circular A:133 requires:
 - The auditor must opine as to whether the Schedule of Expenditures of Federal Awards is fairly presented, in all material respects, in relation to the general-purpose financial statements as a whole.
 - The auditor must issue a report on internal controls with respect to the general-purpose financial statements, major programs, and the allowability of costs.
 - The auditor must report on the school district's compliance with the laws, regulations, and provisions of contracts or grant provision, which could a material effect on the general-purpose financial statements. This report is to contain an opinion with respect to the material effect on each major program. The report should refer to the Schedule of Findings and Questioned Costs when applicable.
 - The auditor shall prepare a Schedule of Findings and Questioned Costs in accordance with the guidance of Circular A:133.
 - The auditor shall prepare a summary schedule of prior audit findings.
 - The auditor shall certify the "Data Collection Form" as specified in Circular A:133.

E. Special Consideration

The Governmental Accounting Standards Board (GASB) issued Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis-for State and Local Governments, in June 1999. The objective is to enhance the understandability and the usefulness of the general-purpose external reports of the state and local governments. The statement establishes two bases for reporting financial information: government-wide financial statements and fund presentation.

Capital Assets, including infrastructure assets, and depreciation changes, will be reported on the entity-wide perspective financial statements. Management's Discussion and Analysis information will precede the basic financial statements but is considered required supplementary information. Budgetary information will no longer be included in the financial statements but rather will be presented as required supplementary information.

The district is required to implement this statement starting in the fiscal year beginning July 1, 2002. The district will require assistance and guidance in the implementation of this statement. The cost of the preparation of the required GASB compliant audit shall be included in the base bid for auditing services.

F. 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 five (5) years, unless the firm is notified in writing by the Peekskill City School District of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the district or its designees. In addition, the auditor shall respond to the responsible inquiries of successor auditors to review working papers relating to matters of continuing accounting significance.

III. DESCRIPTION OF THE GOVERNMENT

A. Contact Persons

The auditor's principal contacts with the Peekskill City School District will be the Interim-Assistant Superintendent for Business, Ms. Anne M. Frontera (914-737-3300) or District treasurer, Anne Gotzen (914-737-3300 extension 306), who will coordinate the assistance to be provided by district to the auditor.

B. Background Information

The fiscal year of the Peekskill City School District is July 1 through June 30.

The Peekskill City School District serves a district of 4 square miles with a student population of 2,984. The 2002-2003 annual budget approved by the voters was \$49,477,900. The district has one Middle School, High School and alternative program school; and four elementary schools. Currently, the district is in the planning stages for an addition to the High School and renovations to it and to all elementary schools.

The Peekskill City School District has a total payroll of approximately \$28.5 million covering about 428 employees.

The Peekskill City School District is governed by seven Board of Education members. The central administration is comprised of the Superintendent of Schools, the Assistant Superintendent for Business, the Assistant Superintendent for Instruction, the Assistant Superintendent for Pupil Personnel and the Director of Personnel. The Middle School the High school and each elementary school have a building principal. The High School has two assistant principals; the Middle school, the Alternative Programs and one elementary school have one assistant principal. The Directors of Special Education, Technology and Athletics serve the district at large.

More detailed information on the district and its finances can be found in the Annual Budget and in the Comprehensive Annual Financial Report, which you will find, enclosed.

C. Fund Structure

The Peekskill City School District uses the following fund types and account groups in its financial reporting:

- General Fund
- Special Revenue Fund-Special Fund & Cafeteria Fund
- Debt Service Fund
- Capital Projects Funds
- Agency and Expendable Trust Funds
- General Fixed Asset Account Group
- General Long-Term Debt Account Group

D. Budgetary Basis of Accounting

The Peekskill City School District prepares its budgets on a basis consistent with generally accepted accounting principles for local government units and the uniform system of accounts as prescribed by the State of New York.

E. Grants

- Title I
- Title IIA
- Title IID
- Title IV
- Title V
- Drug Free Excess
- VATEA
- SEGCSR
- CPSE
- CPSE (Administrative Cost)
- IDEA Part B
- IDEA Pre-School
- IDEA Part B SIG
- Alcohol Abuse Reduction
- Magnet Schools
- Homeless Children
- Pre-K

F. Pension Plans

The Peekskill City School District participates in the following pension plans:

- New York State and Local Employees Retirement System
- New York State Teachers Retirement System

These are cost sharing multiple employer retirement systems. A separate publicly available report is issued.

G. Magnitude of Finance Operations

The finance department is headed by Ms. Anne M. Frontera, Interim-Assistant Superintendent for Business. The Business Office Staff is as follows:

- | | |
|---------------------------------|------------------------------|
| ▪ School District Treasurer (1) | ▪ Secretary (1) |
| ▪ Accounts Payable (1.5) | ▪ Special Funds (1) |
| ▪ Payroll (1) | ▪ Director of Facilities (1) |

H. Computer Systems

The district utilizes Finance Manager for accounting, payroll and budgeting.

I. Availability of Prior Audit Reports

Interested proposers who wish to review prior years audit reports and management letters should contact Ms. Anne M. Frontera, Interim-Assistant Superintendent for Business, 1031 Elm Street, Peekskill, New York 10566 – (914) 737-3300. The Peekskill City School District will use its best efforts to make prior audit reports available to proposers to aid their response to this request for proposals.

IV. TIME REQUIREMENTS

A. Proposal Calendar

The following is a list of key dates up to and including the date proposals are to be submitted:

- | | |
|--------------------------------|------------------|
| ▪ Request for proposals issued | January 6, 2003 |
| ▪ Due date for proposals | January 28, 2003 |

B. Notification and Contract Dates

- | | |
|---|-------------------|
| ▪ Selected firm appointed by Board of Education | February 24, 2003 |
| ▪ Contract Execution Date | March 18, 2003 |

C. Audit Commencement – August 4, 2003

The financial audit of the Peekskill City School District will commence on August 4, 2003. The Peekskill City School District will have all records ready for audit and all management personnel available to meet with the firm’s personnel as of August 4, 2003. Specifically, financial statements and all required supplementary schedules should be available on that date.

D. Schedule for the 2002-03 Fiscal Year Audit – August 4, 2003

(A Similar schedule will be developed for audits of the 2004, 2005 Fiscal Year.)

The auditor shall complete each of the following no later than the dates indicated:

- Expenditure testing will be completed during the month of May or June 2003. The district and the firm will pick mutually agreeable dates testing prior to the audit.
- Entrance Conference with the Assistant Superintendent and District Treasurer during week of August 4, 2003. The purpose of this meeting will be to discuss prior audit problems and the interim work to be performed. This meeting will also be used to establish and to make arrangements for workspace and other needs of the auditor.

- Progress Conference with the Assistant Superintendent and District treasurer during week of August 4, 2003. The purpose of this meeting will be to summarize the results of the fieldwork done to this date and review any significant findings or problems.
- Fieldwork: The auditor shall complete all fieldwork and adjusting entries by August 11, 2003, for review by the Assistant Superintendent and District treasurer.
- Draft Reports: The auditor shall have drafts of the audit report, statement of extraclassroom activity funds single audit and management letter available for review by the Assistant Superintendent & District treasurer by August 18, 2003. The Assistant Superintendent & District treasurer will complete the review of the draft report as expeditiously as possible. It is not expected that this process should exceed one week. During that period, the auditor should be available for any meetings that may be necessary to discuss the audit reports. Once all issues for discussion are resolved, the final signed report shall be delivered to the Assistant Superintendent and NEW YORK STATE EDUCATION DEPARTMENT within five (5) working days, but in any event no later than September 29, 2003. The auditor shall forward the audit report directly to the State Education Department.
- Twenty (20) copies of reports and letters printed and bound, should be delivered to the Assistant Superintendent for Business at the above address no later than September 26, 2003.

V. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION

The finance department staff and responsible management personnel will be available to assist the auditor by providing information, documentation, and explanations. Report preparation, editing and printing shall be the responsibility of the auditor.

PROPOSAL REQUIREMENTS

A. General Requirements

- Inquiries: Inquiries concerning the request for proposals and the subject of the request for proposals must be made to:
 Anne M. Frontera
 Interim-Assistant Superintendent for Business
 Peekskill City School District
 1031 Elm Street
 Peekskill, NY 10566
 (914) 737-3300 extension 334

CONTACT WITH BOARD OF EDUCATION MEMBERS OR PERSONNEL OF THE PEEKSKILL CITY SCHOOL DISTRICT OTHER THAN THE INTERIM-ASSISTANT SUPERINTENDENT OR DISTRICT TREASURER REGARDING THIS REQUEST FOR PROPOSALS MAY BE GROUNDS FOR ELIMINATION FROM THE SELECTION PROCESS. All inquiries resulting in clarification of RFP specifications or procedures will be responded to in writing. Copies will be distributed to all prospective bidders who have submitted a "Notification of Interest".

- Submission of Proposals: The following material is required to be received by January 28, 2003 for a proposing firm to be considered:
 1. A Master (so marked) of a technical Proposal and three (3) copies to include the following:
 - Title Page showing the RFP's subject; the firm's name; the name, address and telephone number of a contact person; and the date of the proposal.
 - A signed letter of transmittal briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period designated by the district, 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 for audit years 2002-03 to 2004-05.
 - Detailed Proposal. The detailed technical proposal should follow the order set below in #2 (B).
 - Executed copy of Proposer Warranties, attached to this RFP as Appendix A.
 2. A sealed dollar cost bid original and three (3) copies of Appendix B (I, II & III), in a separate sealed envelope marked as follows:

SEALED DOLLAR COST BID
PROPOSAL FOR
PEEKSKILL CITY SCHOOL DISTRICT
FOR
PROFESSIONAL AUDITING SERVICES
JANUARY 6, 2003

Proposers should send the completed proposal and bid consisting of two separate envelopes to the following address:

Ms. Anne M. Frontera
Interim-Assistant Superintendent for Business
1031 Elm Street
Peekskill, New York 10566

3. **The bid must be received by 2 P.M. Late Bids will be returned to the proposer.**
4. A copy of a current client's (New York State School District) audited financial statement should be included.

B. Technical Proposal

- **General Requirements:** The purpose of the technical proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of the Peekskill City School District in conformity with the requirements of this request for proposals. As such, the substance of proposals will carry more weight than their form or manner of presentation. The technical proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for proposal requirements.

THERE SHOULD BE NO DOLLAR UNITS OR ORAL COSTS INCLUDED IN THE TECHNICAL PROPOSAL DOCUMENT.

- The technical proposal should address all the points outlined in the request for proposals (excluding any cost information which should only be included in the sealed dollar cost bid). The proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposals. While additional data may be presented, the following subjects, listed below, must be included. They represent the criteria against which the proposal will be evaluated.

Audit Approach:

- **Independence:** The firm should provide an affirmative statement that it is independent of the Peekskill City School District as defined by the U.S. General Accounting Office's Government Auditing Standards.

The firm should also list and describe the firm's professional relationships involving the Peekskill City School District or any of its agencies or component units for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

In addition, the firm shall give the Peekskill City School District written notice of any such professional relationships entered into during the period of this agreement.

- **Firm Qualifications and Experience:** The proposal 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 and 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. If the proposer is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium should be separately identified and the firm that is to serve as the principal auditor should be noted, if applicable.

The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements.

The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years. In addition, 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 state regulatory bodies or professional organizations.

- Partner, Supervisory and Staff Qualifications and Experiences. The firm should identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement and indicate whether each such person is licensed to practice as certified public accountants in New York State.
 - o The firm also should provide information on the school district auditing experience of each person proposed for the actual audit team, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.
 - o The firm should provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. The firm also should indicate how the quality of staff over the term of the agreement will be assured.
 - o Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the Peekskill City School District.
- Membership & Participation in State Level Organizations. The firm is asked to provide a list of membership and committee level participation in the following organizations:
 - o New York State Society of Certified Public Accountants (NYSSCPA)
 - Public School Accounting Committee
 - Government Accounting Committee
 - o Government Finance Officers Association (GFOA)
- Prior Engagements with the Peekskill City School District. The firm should list separately all engagements within the last three (3) years, ranked on the basis of total staff hours, for the Peekskill City School District by type of engagement (i.e., audit, management advisory services, other). For each engagement, the firm should indicate the scope of work, date, engagement partners, total hours, the location of the firm's office from which the engagement was performed and the name and telephone number of the principal client contact.
- Similar Engagements with Other Government Entities. For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum of 5) performed in the last five years that are similar to the engagement described in this request for proposals. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact. The firm should also provide a list of all school district clients in the State of NY added in the last five (5) years and all school district clients in the State of NY dropped during the same period.
- 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 this request for proposals. In developing the work plan, reference should be made to such sources of information as the Peekskill City School District's budget and related materials, financial and other management information systems.

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

- o Proposed segmentation of the engagement.
 - o Level of staff and number of hours to be assigned to each proposed segment of the engagement.
 - o Sample sizes and the extent to which statistical sampling is to be used in the engagement.
 - o Extent of use of EDP software in the engagement.
 - o Type and extent of analytical procedures to be used in the engagement.
 - o Approach to be taken to gain and document an understanding of the Peekskill City School District internal control.
 - o Approach to be taken in determining laws and regulations that will be subject to audit test work.
 - o Approach to be taken in drawing audit samples for purposes of tests of compliance.
- **Identification of Anticipated Potential Audit Problems:** The proposal should identify and describe any anticipated potential audit problems, the firm’s approach to resolving these problems and any special assistance that will be requested from the Peekskill City School District.
 - **Report Format:** The proposal should include sample formats for required reports.

C. Sealed Dollar Cost Bid

- **Total All-inclusive Maximum Price:** The sealed dollar cost bid 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 be bid is to contain all direct and indirect costs including all out-of-pocket expenses.

The Peekskill City School District will not be responsible for expenses incurred in preparing and submitting the technical proposal or the sealed dollar cost bid. Such costs should not be included in the proposal.

The first page of the sealed dollar cost bid should include the following information:

- o Name of Firm
 - o Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the bid and authorized to sign a contract with the Peekskill City School District.
 - o A Total All-inclusive Maximum Price for each of the 2002-03, 2003-04 and 2004-05 engagements.
- **Rates by Partner, Specialist, Supervisor and Staff Level Times Hours Anticipated for Each:** The second, third and fourth page of the sealed dollar cost bid should include a schedule of professional fees and expenses, presented in the format provided in the attachment (Appendix B-Part I, II, and III), that supports the total all-inclusive maximum price.
 - **Out-of-Pocket Expenses included in the Total:** All-inclusive Maximum Price and Reimbursement Rates. Out-of-Pocket expenses for firm personnel (e.g., travel, lodging and subsistence) will be reimbursed at the rates used by the Peekskill City School District for its employees. All estimated out-of-pocket expenses to be reimbursed should be presented in the sealed dollar cost bid in the format provided in the attachment (Appendix B). All expense reimbursements will be charged against the total all-inclusive maximum price submitted by the firm.

In addition, a statement must be included in the sealed dollar cost bid stating the firm will accept reimbursement for travel, lodging and subsistence at the prevailing Peekskill City School District rates for its employees.

- **Rates for Additional Professional Fees:** If it should become necessary for the Peekskill City School District to request the auditor to render any additional services (beyond those listed in 2B, “Scope of Work to be Performed”, to supplement the services requested in this request for proposals then such additional work shall be performed only if set forth in an addendum to the contract between the Peekskill City School District and the firm. Any such additional work agreed to between the Peekskill City School District and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the sealed dollar cost bid.
- **Manner of Payment:** One-third payment of the total contract amount will be at the commencement of the audit and the remaining two-thirds upon receipt of the audited financial statements, related reports, management letter and single audit reports.

VII. EVALUATION PROCEDURES

Proposals submitted will be reviewed and evaluated by the Board of Education, Superintendent of Schools, Interim-Assistant Superintendent for Business and the District Treasurer.

Proposals will be evaluated using three sets of criteria. Firms meeting the mandatory criteria will have their proposals evaluated and scored for both technical qualifications and price. The following represent the principal selection criteria, which will be considered during the evaluation process.

A. Mandatory Elements

- The audit firm is independent and licensed to practice in NY State.
- The audit firm's professional personnel have received adequate continuing professional education within the preceding two years.
- The firm has no conflict of interest with regard to any other work performed by the firm for the Peekskill City School District.
- The firm submits a copy of its most recent external quality control review report and the firm has a record of quality audit work.
- The firm has expertise in New York State District Audits as evidenced by its clients and has an understanding and working relationship with the State Education Department.
- The firm adheres to the instructions in this request for proposals on preparing and submitting the proposal.

B. Technical Qualifications

- Expertise and Experience
 - The firm's past experience and performance with the Peekskill City School District and/or on comparable government engagements.
 - The quality and experience of the firm's professional personnel to be assigned to the engagement.
 - The quality of the firm's management support personnel to be available for technical consultation.
- Audit Approach
 - Adequacy of proposed staffing plan for various segments of the engagement.
 - Adequacy of sampling techniques.
 - Adequacy of analytical procedures.
- Price: Cost will not be the primary factor in the selection of an audit firm.

C. Oral Presentations

During the evaluation process, the district 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 district may have on a firm's proposal. Not all firms may be asked to make such oral presentations.

D. Final Selections

The Board of Education will select a firm based upon the recommendation of the audit committee.

It is anticipated that a firm will be selected by February 24, 2003. Following notification of the firm selected, it is expected a contract will be executed between both parties by March 18, 2003.

E. 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 Peekskill City School District and the firm selected.

The Peekskill City School District reserves the right without prejudice to reject any or all proposals.

NOTIFICATION OF INTEREST

(Audit Firm's Letterhead)

Ms. Anne M. Frontera
Interim-Assistant Superintendent for Business
Peekskill City School District
1031 Elm Street
Peekskill, NY 10566

RE: NOTIFICATION OF INTEREST

Dear Ms. Frontera:

Our firm is interested in submitting a proposal to audit the Peekskill City School District's financial statements for the fiscal years ending June 2003, 2004 and 2005, as set forth in the request for proposals (RFP) dated January 6, 2003.

Yours very truly,

(Audit Firm)

APPENDIX

A

PROPOSER WARRANTIES

- A. Proposer warrants that it is willing and able to comply with Sate of New York laws and regulations.

- B. Proposer warrants that it is willing and able to obtain an error and omissions insurance policy providing a prudent amount of coverage for the willful or negligent acts, or omissions of any officers, employees or agents thereof.

- C. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the express prior written permission of the Peekskill City School District.

- D. Proposer warrants that all information provided by it in connection with this proposal is true and accurate.

Signature of Official: _____

Name (*typed*): _____

Title: _____

Firm: _____

Date: _____

APPENDIX
B

PART I: SCHEDULE OF PROFESSIONAL FEES AND EXPENSES FOR THE AUDIT OF THE JUNE 30, 2003 FINANCIAL STATEMENTS

	HOURS	STANDARD HOURLY RATES	QUOTED HOURLY RATES	TOTAL
Partners	_____	\$ _____	\$ _____	\$ _____
Managers	_____	_____	_____	_____
Supervisory Staff	_____	_____	_____	_____
Staff	_____	_____	_____	_____
Other (specify): _____	_____	_____	_____	_____
Subtotal:				\$ _____
Out-of Pocket expenses:				
Meals & Lodging				_____
Transportation				_____
Other (specify): _____				_____
Total all-inclusive maximum price for 2003 audit:				\$ _____

Note: The rate quoted should not be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price.

APPENDIX
B

PART I: SCHEDULE OF PROFESSIONAL FEES AND EXPENSES FOR THE AUDIT OF THE JUNE 30, 2004 FINANCIAL STATEMENTS

	HOURS	STANDARD HOURLY RATES	QUOTED HOURLY RATES	TOTAL
Partners	_____	\$ _____	\$ _____	\$ _____
Managers	_____	_____	_____	_____
Supervisory Staff	_____	_____	_____	_____
Staff	_____	_____	_____	_____
Other (specify): _____	_____	_____	_____	_____
Subtotal:				\$ _____
Out-of Pocket expenses:				
Meals & Lodging				_____
Transportation				_____
Other (specify): _____				_____
Total all-inclusive maximum price for 2004 audit:				\$ _____

Note: The rate quoted should not be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price.

APPENDIX
B

PART I: SCHEDULE OF PROFESSIONAL FEES AND EXPENSES FOR THE AUDIT OF THE JUNE 30, 2005 FINANCIAL STATEMENTS

	HOURS	STANDARD HOURLY RATES	QUOTED HOURLY RATES	TOTAL
Partners	_____	\$ _____	\$ _____	\$ _____
Managers	_____	_____	_____	_____
Supervisory Staff	_____	_____	_____	_____
Staff	_____	_____	_____	_____
Other (specify): _____	_____	_____	_____	_____
Subtotal:				\$ _____
Out-of Pocket expenses:				
Meals & Lodging				_____
Transportation				_____
Other (specify): _____				_____
Total all-inclusive maximum price for 2005 audit:				\$ _____

Note: The rate quoted should not be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price.