

BILLINGS PUBLIC SCHOOLS

**Statement of Qualifications to Perform
Audit Services for the Years Ending**

June 30, 2012, 2013 and 2014

**This proposal is effective 45 days
after proposal due date**

JOSEPH EVE

The Audit & Business Solutions Provider

Tiffany Madden, Partner

401 North 31st Street, Suite 1600

Billings, MT 59101

(406) 252-3535

tiffany.madden@josepheve.com

Table of Contents

TRANSMITTAL LETTER	3
FIRM QUALIFICATIONS AND EXPERIENCE	4
CLIENT REFERENCES	6
MANAGEMENT TEAM	7
APPROACH TO THE AUDIT	9
MAJOR STAGES	9
PLANNING AND PRELIMINARY ACTIVITIES	9
PLANNING AND PRELIMINARY ACTIVITIES - CONTINUED	10
ENTRANCE CONFERENCE	10
CONSIDERATION OF INTERNAL CONTROL STRUCTURE	10
COMPLIANCE TESTING ON INTERNAL CONTROL STRUCTURE	11
FEDERAL PROGRAMS COMPLIANCE TESTING	12
ANALYTICAL REVIEW	12
SUBSTANTIVE TESTING AND SAMPLING TECHNIQUES	12
DISCUSSION OF AUDIT FINDINGS	13
INDEPENDENCE	13
LICENSE TO PRACTICE	13
FOCUS ON ADDING VALUE TO THE AUDIT	14
AUDIT EDGE	14
TENTATIVE AUDIT SCHEDULE	15
REQUIRED FORMS	16
APPENDIX A – PEER REVIEW	26
APPENDIX B – RESUMES	28
APPENDIX C - EXPERIENCE	37
APPENDIX D – SAMPLE AUDIT PREPARATION GUIDE	43



May 10, 2012

Billings Public Schools
Attn: Patricia Hubbard, Director of Business Services
415 North 30th Street, Room 210
Billings, MT 59101

We appreciate the opportunity to submit this proposal to provide professional audit services to the Billings Public Schools for the years ending June 30, 2012, 2013 and 2014.

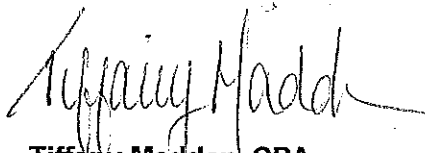
We believe that we are uniquely qualified to provide audit services to Billings Public Schools. We have performed audits for many School Districts, Colleges and Governmental Organizations during the past two decades. The majority of these engagements were Single Audits performed in accordance with OMB Circular A-133. Our wide range of experience makes us the most qualified firm to conduct the audits. We are committed to performing quality and timely professional services in accordance with the required dates listed in your request for proposal.

The objective of this engagement is to perform full scope annual audits of Billings Public Schools. The audits would be conducted in accordance with auditing standards generally accepted in the United States of America as adopted by the American Institute of Certified Public Accountants, "Government Auditing Standards" issued by the Comptroller General of the United States, applicable state and federal regulations, the State of Montana Department of Administration and the requirements of "Circular A-133," issued by the Federal Office of Management and Budget (OMB), and the Single Audit Act Revisions of 1996.

Please review our firm's qualifications and contact us at your convenience. We would be more than happy to provide any additional details or clarifications that the Billings Public Schools may request in regards to this proposal. We look forward to hearing from you.

Sincerely,

JOSEPH EVE
Certified Public Accountants and
Certified Fraud Examiners



Tiffany Madden, CPA
Partner

Proposal for Audit Services

Billings Public Schools

FIRM QUALIFICATIONS AND EXPERIENCE

JOSEPH EVE was founded in 1983. Since our inception, we have specialized in providing audit and consulting services to multiple school districts, governmental organizations, and non-profit organizations. We take extraordinary care in conducting these services and in meeting the objectives of such engagements. Providing of such services represents a major part of our business, not just fill-in work, as is the case with many other firms. We provide high quality personalized attention to the needs of the governmental organizations and school districts that we serve.

Our specialization in serving school districts and colleges, governmental organizations, and non-profit organizations makes us one of the most respected firms among the sectors we serve. This respect is best exemplified by our continual growth in audit clients as outlined in the experience section of this proposal.

We maintain strict control over the quality of services provided to ensure that our work meets the auditing standards of the profession, as well as our own standards of technical excellence and professionalism. Our firm has no record of any substandard audit work.

Our firm is devoted to quality, and we have taken extra steps to assure that we meet the highest professional standards of quality. Every three years, specially trained CPAs from other firms examine our quality controls. We successfully completed our last formal peer review on June 30, 2009. No letter of comment was issued since the reviewers had no findings and/or recommendations.

The peer review criteria were established by the Division for CPA Firms of the American Institute of CPAs. Peer review is one of the requirements for membership in the Division, which was organized in 1977. We are a long time member, because we believe that anything a firm can do to improve quality should be done.

We consider ourselves experts in auditing governmental organizations, federal programs (A-133 audits), school districts, and computerized systems as well as being very knowledgeable regarding GASB Statement #34 and CAFR requirements.

In addition, given the fact that a large number of JOSEPH EVE clients are subject to OMB Circular A-133 requirements, we have had numerous audits reviewed by federal funding agencies. All of the audit reports submitted and reviewed have met the reporting requirements of the Single Audit Act and Office of Management and Budget Circular A-133.

Proposal for Audit Services

Billings Public Schools

JOSEPH EVE currently has offices in Great Falls, Billings, and Kalispell, Montana, as well as Salt Lake City, Utah. Billings partner Tiffany Madden would manage the audit of the Billings Public Schools. See "Appendix B" section for detailed resumes. We anticipate having partner involvement during all aspects of the audit, including the on-site fieldwork.

Our staff consists of people in the following classifications:

Partners	3
Managers/Supervisors	11
Senior Accountants/Consultants	10
Staff Accountants	5
Clerical and Paraprofessionals	<u>8</u>
Total	<u><u>37</u></u>
Number of Certified Public Accountants	21
Number of Certified Fraud Examiners	6
Number of Masters in Accountancy	9

Proposal for Audit Services

Billings Public Schools

CLIENT REFERENCES

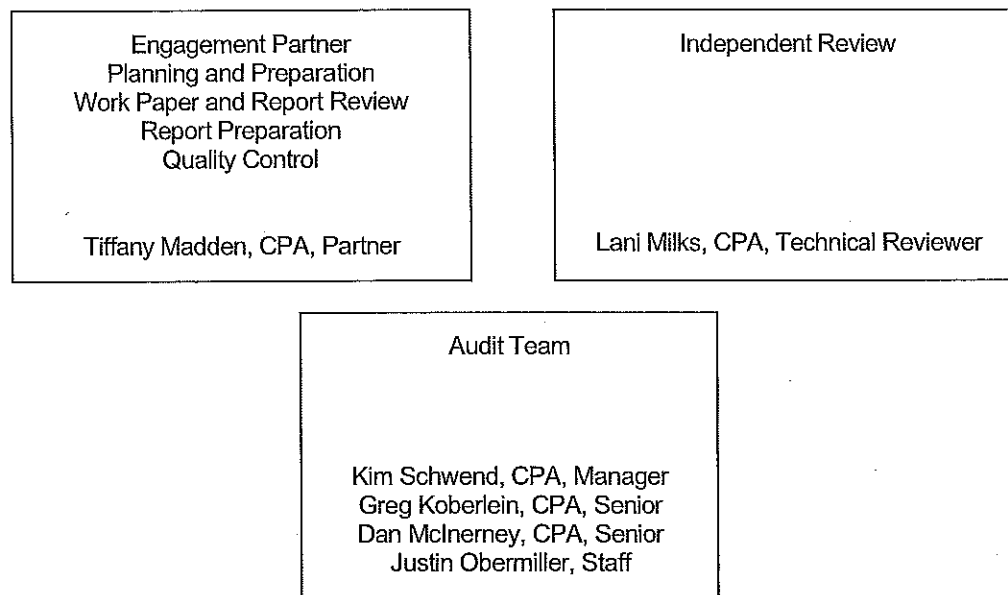
Tribe	Audit	Date	Partner	Contact
Corvallis School District No. 1	A-133	6/30/2011	Todd Timboe	Venessa Bargfrede (406) 961-4211
	A-133	6/30/2010		
	A-133	6/30/2009		
	A-133	6/30/2008		
	A-133	6/30/2007		
Hobson School District No. 25	A-133	6/30/2011	Todd Timboe	Sherri Bergstrom (406) 423-5483
	A-133	6/30/2010		
	A-133	6/30/2009		
	A-133	6/30/2008		
	A-133	6/30/2007		
Town of Belt	GAS	6/30/2011	Todd Timboe	Jean Fontana (406) 277-3621
	GAS	6/30/2010		
	GAS	6/30/2009		
	GAS	6/30/2008		
	GAS	6/30/2007		
Richland County	A-133	6/30/2011	Tiffany Madden	Stephanie Verhasselt (406) 433-1708
	A-133	6/30/2010		
	GAS	6/30/2009		
	GAS	6/30/2008		
Northern Cheyenne Tribal School	A-133	6/30/2011	Tiffany Madden	Ben Lonebear (406) 477-6980
	A-133	6/30/2010		
	A-133	6/30/2009		
	A-133	6/30/2008		
	A-133	6/30/2007		
Dawson Community College	A-133	6/30/2010&	Tiffany Madden	Justin Cross (406) 377-3396
	(Biennial Audit)	6/30/2009		

Proposal for Audit Services

Billings Public Schools

MANAGEMENT TEAM

Planning, organization and timely management are keys to successful completion of large engagements that require simultaneous commitment of substantial resources. JOSEPH EVE, CPAs, has a long record of successful completion of large audit engagements in a timely manner. We intend to use a management team that will plan, coordinate and control the audit to be performed. Review Appendix "B" for detailed resumes on the management team. The following chart depicts the areas of responsibility to be assigned to various individuals as they relate to the workload:



Independent Review – Lani Milks will perform an independent review to determine that the engagement is properly planned and supervised and that adequate work is being performed in accordance with professional standards. This activity is in keeping with our firm's continued commitment to quality control.

Engagement Partner - Quality Control and Daily Work Paper Review -- Tiffany Madden will be designated Engagement Partner. Her responsibilities will include the overall administration, the management of the contract and analysis of the project workload. She will ensure that working papers and audit reports comply with governmental auditing standards and guidelines, generally accepted auditing standards, office policies and procedures and special requirements of the engagement.

Effective management requires the establishment of a plan that incorporates benchmarks against which program progress can be measured. To control the job, we will periodically compare the rate of progress to our original plan, taking corrective action as required resulting from the feedback.

Proposal for Audit Services

Billings Public Schools

Control and feedback are a function of time expended and completion status reporting against an established plan. This is a key element in any management plan and is accomplished through weekly audit team reports detailing hours expended, specific work element status, work to be accomplished in the next several reporting periods, specific problems encountered and an estimate of ability to complete the assigned work elements on schedule.

Audit Team - It is our firm's policy to place only adequately trained and qualified personnel at the various levels of responsibility in an audit team. For this reason, each staff person is required to attend courses specifically designed for their level of responsibility. **In addition, our firm's quality control policies require that each staff member complete no less than 40 hours of courses qualifying as continuing professional education (CPE) annually.**

Proposal for Audit Services

Billings Public Schools

APPROACH TO THE AUDIT

The objective of this engagement is to perform full scope annual audits of the Billings Public Schools for the years ending June 30, 2012, 2013 and 2014. The audits would be conducted in accordance with auditing standards generally accepted in the United States of America as adopted by the American Institute of Certified Public Accountants, "Government Auditing Standards" issued by the Comptroller General of the United States, applicable state and federal regulations, the State of Montana Department of Administration, and the requirements of "Circular A-133," issued by the Federal Office of Management and Budget (OMB), and the Single Audit Act Revisions of 1996.

These will be full scope financial and compliance audits that will enable us to:

- Render an opinion on the School District's financial statements, schedule of expenditures of federal awards, and related supplementary schedules.
- Render reports on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*.
- Render an opinion on compliance with requirements that could have a direct and material effect on each major program and report on internal control over compliance in accordance with OMB Circular A-133.
- Complete and certify the School District's Data Collection Form.

MAJOR STAGES

PLANNING AND PRELIMINARY ACTIVITIES

Sufficient advance planning will be performed to provide a basis for an effective audit. This phase of the engagement will include the following activities:

1. Communicate with the School District to obtain preliminary information and copies of the following documents (these items should be available three weeks prior to the start of on-site fieldwork):
 - a. Trial balances for all funds.
 - b. Budgets applicable to the audit period.
 - c. Contracts and lease agreements.
 - d. Listing of bank accounts and the names/addresses of attorneys consulted during the audit period.
2. Distribute an audit preparation guide which will help the District prepare for the audit (example copy is included in "Appendix D"). Much of these items need to be supplied within three weeks prior to the start of fieldwork.
3. Prepare a tentative work plan and time budget.
4. Conduct an entrance conference with the appropriate staff to discuss our approach, our schedule, use of accounting personnel and to make other necessary assignments.
5. Conduct an entrance conference with the audit committee.
6. Review minutes of the Board.

Proposal for Audit Services

Billings Public Schools

PLANNING AND PRELIMINARY ACTIVITIES - CONTINUED

7. Identify all federally assisted programs subject to the applicable federal requirements.
8. Draft a letter to be sent by the School District to the prior auditors requesting that we be allowed to review the working papers.
9. Review prior auditors' working papers.

ENTRANCE CONFERENCE

Entrance conferences with the appropriate officials will be conducted to accomplish the following:

1. Discuss the overall objectives of our audit and to discuss in general the methods to be used in achieving the planned objectives.
2. To plan our work so as to minimize the disruption of the School District's normal activities, make arrangements for the use of School District personnel, and to perform the examination in the most efficient manner.
3. To obtain basic information regarding the various departments including finance and accounting within the School District and to identify individuals at various responsibility levels.
4. To gain additional information relating to the School District's activities and discuss any existing or potential problem areas.

CONSIDERATION OF INTERNAL CONTROL STRUCTURE

The objective of our evaluation of internal control is to determine to what extent it can be relied upon to ensure the accuracy and integrity of financial information, to ensure compliance with applicable laws and regulations and to provide for effective and efficient operations.

Our review of internal control and operational procedures will consist of a survey of the School from an overview position and will include, but not be limited to, a tour of facilities, discussions with management and other key personnel and the completion of internal control questionnaires and flowcharts to provide us with a general sense of the operating environment. During the system "walk-through" we will review in depth the features for apparent system weaknesses, compensating secondary controls and determination of possible system modifications to improve efficiency. Throughout the audit process, we will continue to observe and evaluate the systems and, upon completion of the engagement, will render final reports thereon.

Our audit approach differs from other public accounting firms because we focus on the significant systems and controls that produce financial statements, rather than numerical recordings. Once reviewed and evaluated, these procedures enable us to design an efficient and cost-effective audit program that is truly tailored to the system.

Proposal for Audit Services

Billings Public Schools

CONSIDERATION OF INTERNAL CONTROL STRUCTURE- Continued

An important phase of our consideration of the internal control structure is testing of controls in order to obtain evidential matter about the effectiveness of the design and operation of internal control structure policies and procedures and whether they support lower assessed levels of control risk. These are the tests we undertake to provide reasonable assurance that procedures on which we plan to rely to support an assessment of control risk at less than the maximum level are being applied as prescribed. The application of internal control structure policies and procedures leaves a trail of documentary evidence, and their design and operation are tested by the inspection of (a) revenue and other transaction documents and records and (b) reconciliations and reports for the appropriate signatures, initials, or stamps. On the other hand, performance of other duties, such as critical people-to-people checks, frequently leaves no audit trail of documentary evidence, and tests of such controls takes the form of corroborative inquiries and actual observation of routine operations.

By using this approach we gain an understanding of the School by studying its major operating procedures, its general business environment, the section of the economy it operates in, and its statutory requirements. Our flowcharting system is extremely effective and efficient because it drastically reduces the volume of paper work needed to analyze the system while providing precise thorough documentation and analysis of the internal accounting controls.

COMPLIANCE TESTING ON INTERNAL CONTROL STRUCTURE

After our review and preliminary evaluation of internal control, including the identification of key controls and procedures, a detailed work program will be prepared to test the systems and related balances. Based upon our review, we will determine the necessary tests we need to perform and the extent and timing of those tests. Samples will be selected and School personnel will be requested to pull the necessary supporting documents. We will perform compliance tests to determine whether or not the system is functioning as intended. If the system has been evaluated as adequate and the compliance tests indicate that it is functioning as designed, the substantive tests of account balances may be limited accordingly. On the other hand, if the system has serious weaknesses or procedures are not being followed as prescribed, then the system may not be relied upon.

Upon completion and evaluation of all compliance tests, we will modify the audit program based upon the results of the tests performed and update any comments or reports relative to the control systems.

In performing our compliance testing of the system, we will use statistical sampling procedures where possible, although this does not preclude the use of judgmental sampling, if deemed more effective. Statistical sampling is preferred because it enables us to draw more objective conclusions regarding test results. Sample sizes would vary based on the results of our internal control review procedures.

Proposal for Audit Services

Billings Public Schools

FEDERAL PROGRAMS COMPLIANCE TESTING

The audits will be conducted in compliance with the audit requirements of the Office of Management and Budget (OMB) Circular A-133. Based on materiality criteria established when planning the audit and based on correspondence with the Office of Public Instruction (OPI), programs for testing will be selected.

Our evaluation of the system on internal control will be designed to identify, evaluate, and test the established controls necessary to satisfy ourselves that the School District is adhering to the general compliance requirements outlined in the OMB compliance supplement.

For those programs selected by us for individual program compliance testing which are not included in the compliance supplement, we will extract the significant compliance requirements from the grant program contract and the Code of Federal Regulations.

Tests of transactions and substantive tests for programs selected will be performed in conjunction with regular audit tests. Where samples selected for our regular audit tests did not contain a representative number of transactions from programs selected for testing, samples will be increased on a judgmental basis to include a representative number of transactions.

ANALYTICAL REVIEW

Upon the completion of the internal control evaluation, we will employ analytical review procedures to determine the extent of substantive tests to be performed. These procedures will include a detailed analysis including budget to actual and current year to prior year amounts for the following areas:

1. Assets
2. Liabilities
3. Revenues
4. Payroll expenditures
5. Other expenditures

SUBSTANTIVE TESTING AND SAMPLING TECHNIQUES

Additional procedures will be performed depending upon the results of the evaluation of the internal control system, compliance testing and the nature and materiality of transactions and account balances. Included in this phase of the examination are procedures such as preparation of trial balances, comparison of costs incurred to approved budgets and confirmation of balances of certain real accounts.

We will develop detailed audit programs for each procedure to be tailored to the specific method of each area of record keeping in the School and as dictated by our conclusion as to the effectiveness of its internal control system.

All of the planned audit steps to be performed on the transactions recorded on the auditee's records will be done in accordance with generally accepted statistical sampling procedures.

Our staff is thoroughly experienced in the use of and application of statistical sampling techniques, in evaluating the results thereof, and making projections as a result of these statistical tests.

Proposal for Audit Services

Billings Public Schools

In conjunction with our completion of the field work, we will perform a subsequent events review to identify any events or transactions occurring after the balance sheet date, but before the issuance of the financial statements and the auditors' report which require adjustment or disclosure in the financial statements.

DISCUSSION OF AUDIT FINDINGS

Throughout the course of the audits, we will maintain close contact with School District officials and keep them informed of the status of the audits. This will include discussion of progress made, problems encountered, possible revisions to the estimated completion dates, and any other situations or circumstances which may have an impact on the conduct of or results of the audit. Should any fraud, misapplication of funds or material irregularities become evident, the Board will be notified immediately.

An exit conference with applicable School District officials will be held as the last step of fieldwork. The exit conference provides the auditee with an opportunity to comment on the accuracy, completeness, fairness and significance of any audit findings. School District personnel may also provide additional information that may have a bearing on those findings.

INDEPENDENCE

Members of JOSEPH EVE are independent with respect to the Billings Public Schools. This is in accordance with Rule 101 Independence and Interpretation 101-10 of the AICPA code of Professional Ethics and in accordance with Government Auditing Standards, 2007 revision, published by the U.S. General Accounting Office. We have no personal impairments or external impairments that would affect our audit of the School District.

LICENSE TO PRACTICE

The partners at JOSEPH EVE, and the firm, are properly licensed to conduct audits in the State of Montana. In addition, the firm is also licensed in Arizona, California, Idaho, Iowa, Kansas, New York, Nebraska, North Dakota, Minnesota, Michigan, Nevada, New Mexico, Oklahoma, Oregon, Rhode Island, South Dakota, Washington, Wisconsin, and Wyoming to practice public accounting. We are also members of the American Institute of Certified Public Accountants.

Proposal for Audit Services

Billings Public Schools

FOCUS ON ADDING VALUE TO THE AUDIT

We have seen audits become a commodity with the cost cutting and competition stemming from the economic environment in the past couple years. At JOSEPH EVE, we have not changed our philosophy of focusing on adding value to our clients through the audit process, not simply performing the minimal required work in accordance with standards and issuing an opinion.

As limiting the exposure to fraud is more important now than ever, we make the School's internal controls a focal point. Not only do we make sure they are in compliance with laws and regulations, we provide suggestions of potential controls that would be suitable for the organization. We also evaluate current controls to see what could be altered to benefit the organization. In addition, we know that there is a fine line where too many controls can result in decreased efficiency and decreased profit for the organization.

IDEA is powerful software that we utilize throughout the audit to extend our auditing and analytical capabilities. It is a data analysis tool that allows us to quickly import, join, analyze, sample and extract data from almost any source your organization might have, including reports printed to file. A majority of this work can be completed in our offices, saving time and travel. An additional benefit of this software is that it allows us to analyze the risk areas of the audit before we arrive on-site, allowing us to tailor our audit process creating a more efficient and useful audit for our clients.



We pride ourselves in providing the most value in the audit industry. Our values and devotion to quality allow us to provide high quality personalized attention to the needs of the organizations we serve.

AUDIT EDGE

Audits have historically been conducted with an audit team coming to your location and doing a majority of the work. With Audit Edge, we utilize technology to streamline the process with collaboration between you and JOSEPH EVE.

JOSEPH EVE has invested extensively in software and hardware to facilitate this new process. To manage data remotely, JOSEPH EVE has added a secure site on our servers for you to upload your data utilizing FTP (File Transfer Protocol). For security purposes, we have not outsourced this site to a third party; it is located on our servers with our IT department managing it.

JOSEPH EVE will send a detailed request for data and a timeline for your staff to upload to the FTP. This timeline will let both entities know what needs to happen for the audit to be completed on time. The secure site makes it easy for systematic integration and sharing of information for the efficient flow of data between both parties. If you need assistance uploading data, we can arrange to have a JOSEPH EVE employee come to your facility and walk through the process or complete training via Webex online.

Proposal for Audit Services

Billings Public Schools

Once the data has been received, JOSEPH EVE will begin the audit process in our office, thereby decreasing travel costs and the inconvenience to you and your employees. JOSEPH EVE will take this data and do an initial analysis utilizing IDEA, a data mining program, to identify specific audit risks prior to the on-site visit. In addition, it allows JE to tailor its audit approach to allow for a more streamlined and efficient audit.

Upon completion of the planning stage, an on-site team will conduct the audit. It is anticipated that this on-site team will be smaller and not spend as much time in your offices. This process should substantially cut down on the amount of time and interface required to complete our audit. Although we enjoy the interaction with you, and there will still be some, we also realize that your ever demanding job requirements are paramount to doing a great job.

TENTATIVE AUDIT SCHEDULE

<u>Audit Area</u>	<u>Tentative Dates</u>	<u>Time Estimates</u>	<u>Staff Level</u>
Planning/Preparation	August 27-September 7, 2012	50	Partner/Manager
Field Work:			
Internal Control Review/Walkthroughs	September 10-21	70	Supervisor/Senior Auditor
Analytical Review Procedures	September 10-21	25	Manager/Senior Auditor
Compliance Testing	September 10-21	90	Senior/Staff Auditors
Single Audit/SEFA	September 10-21	160	Senior/Staff Auditors
Substantive Account Balance Testing	September 10-21	100	Supervisor Senior/Staff Auditors
Draft Financial and Compliance Reports	October 26, 2012	38	Manager
Exit Conference	October 26, 2012	2	Partner/Manager
Finalize Financial Statements and Other Reports	November 30, 2012	15	Partner/Manager
		<u>550</u>	

The on-site fieldwork portion of the audit is expected to commence September 10, 2012. It is estimated that 10 days of on-site fieldwork would be needed.

Please refer to the Required Forms, Part D-Time and Price Proposal for additional information.

Proposal for Audit Services

Billings Public Schools

REQUIRED FORMS

DEPARTMENT OF ADMINISTRATION

Public Accountant

Standard Audit Engagement Proposal

To Firm/Practitioner:

Once completed and returned, this audit engagement proposal becomes the primary basis for the evaluation and selection of the firm or practitioner to perform the audit engagement of:

Billings Public Schools for the years ended June 30, 2012, 2013, and 2014

The audit engagement will be governed by the rules established by the Department of Commerce and by the terms and conditions contained in the department's standard audit contract.

May 7, 2012

Date of Proposal

JOSEPH EVE

Name of Firm/Practitioner

Jeffrey Maddox, CPA Partner

Signature of Firm/Practitioner Representative

PART A - RESUME

1. Name of Firm, Practitioner JOSEPH EVE
2. Office Location 401 North 31st Street, Suite 1600
Billings, MT 59101

3. Year Firm/Practitioner Established: 1983

	Number			
	Total	CPA	LPA	Other (Certified Fraud Examiners)
a. Partner/Owner	3	3		2
b. Manager	8	8		2
c. Supervisors	3	3		1
d. Senior	10	7		1
e. Assistants	5			

Total Full-Time Professional Staff 29

5. Type/Name of Services Provided by Firm: Approximate Percentage

a. Auditing	<u>70%</u>
b. Tax	<u>4%</u>
c. Write-Up	
d. Management Services	<u>25%</u>
e. Other (Explain if material)	<u>1%</u>
Total	<u>100%</u>

6. Type/Nature of Auditing Experience: Approximate Percentage

a. Local Government	<u>10%</u>
b. Government - Other	<u>65%</u>
c. Financial Institutions	<u>-</u>
d. Non-Profit Organizations	<u>15%</u>
e. Manufacturing and Industrial	<u>-</u>
f. Retail Enterprises	<u>10%</u>
Total	<u>100%</u>

7. Specific Governmental/Private Auditing Experience:
(List three recent engagements that might illustrate your ability to undertake this engagement)

Client Name	Date & Operator
<u>Corvallis School District</u>	<u>June 30, 2011</u>
<u>Hobson School District</u>	<u>June 30, 2011</u>
<u>Richland County</u>	<u>June 30, 2011</u>
<u>Northern Cheyenne Tribal School</u>	<u>June 30, 2011</u>

8. Is any member of your firm involved contractually with the entity encompassed by the proposed engagement: Yes _____ No ✓
9. In your opinion, would acceptance of this engagement result in a compromise of your independence under the Code of Professional Ethics insofar as the relationship between your clients and the entity is concerned?
Yes _____ No ✓

If yes, you should explain on a separate sheet the nature and extent to which you believe a compromise would result.

PART B - PERSONNEL COMMITMENT

1. Number level of personnel and percent of time which would be committed to this engagement

<u>Level</u>	<u>CPA, LPA, Etc</u>	<u>Number</u>	<u>Percent of Proposed Time Budget</u>
a. Partner/Owner	CPA	1	5%
b. Manager	CPA	2	26%
c. Supervisor			
d. Senior	CPA	2	42%
e. Assistant		2	27%
f. Other - Consultants, Subcontractors etc.			

2. Personnel: Provide the names and background of personnel who would be committed to this assignment. Complete the following for all partners, managers, supervisors, and seniors who would be committed to participate in the engagement. Use additional sheets if necessary.

A. Position: Partner

- a. Name Tiffany A. Madden
- b. Current Position with Firm: Partner
- c. Number of Years Experience: with firm 20
auditing 20
- a. Type of experience that could be particularly relevant to this engagement: Governmental audits: Livingston School District,
Reed Point School District, Denton School District,
Belfry School District, Fromberg School District,
Lame Deer School District, Rosebud County,
Petroleum County, Musselshell County, Dawson
Community College, Northern Cheyenne Tribal
School, Richland County, City of Red Lodge

B. Position: Manager

- a. Name: Lani Milks
- b. Current Position with Firm: Manager
- c. Number of Years Experience with firm 16
auditing 16
- d. Type of experience which would be particularly relevant to this engagement:
Provides technical reviews for all governmental audits issued
from the Billings office

- C. Position: Manager
- a. Name: Kim Schwend
 - b. Current Position with Firm: Manager
 - c. Number of Years Experience: with Firm: 10
auditing: 10
 - d. Type of experience which would be particularly relevant to this engagement:
Richland County, Crow Tribe, Rosebud Sioux Tribe,
Tuolumne Me-Wuk Tribe

Please see "Appendix B" for resumes of all team members being assigned to the audits

Not Applicable - We will not use any consultants for these engagements.

PART C - USE OF CONSULTANTS

1. Provide the name(s) of all consultants, experts or subcontractors, which would be engaged by the firm for this engagement. Describe the consultant's expertise and application to the engagement.

- A.
 1. Name: _____
 2. Area of Expertise: _____
 3. Proposed Fee: _____
 4. Application to this engagement: _____
- B.
 1. Name: _____
 2. Area of Expertise: _____
 3. Proposed Fee: _____
 4. Application to this engagement: _____

PART D - TIME AND PRICE PROPOSAL

1. Proposed Dates for Engagement: Date
- | | |
|--|----------|
| A. Conduct Entrance Conference | 8-29-12 |
| B. Commence Audit Work | 9-10-12 |
| C. Complete Audit Work | 9-21-12 |
| D. Review Draft with Governing Body | 10-26-12 |
| E. Conduct Exit Conference | 10-31-12 |
| F. Submit Final Report to Governing Body | 11-16-12 |
2. Proposed Time and Price for Engagement:
- | A. <u>Personnel Level:</u> | <u>Man Hours</u> | x | <u>Rate per Hour</u> | <u>Total</u> |
|--|------------------|---|----------------------|--------------|
| a. Partner/Owner | 25 | | \$235 | 5,875 |
| b. Manager | 145 | | \$145 | 21,025 |
| c. Supervisor | | | \$140 | |
| d. Senior | 230 | | \$105 | 24,150 |
| e. Assistant | | | | |
| f. Staff | 110 | | \$ 90 | 9,900 |
| g. Paraprofessional | 40 | | \$ 65 | 2,600 |
| Proposed Man Hours <u>550</u> | | | | |
| B. Proposed Price for Audit Personnel | | | | \$ 63,550 |
| C. Proposed Price for Travel | | | | \$ _____ |
| D. Proposed Price for Typing, Clerical and Reproducing | | | | \$ _____ |
3. GRAND TOTAL \$ 63,550

PART E - GENERAL

(To be used for additional information as may be required)

Has your firm prepared financial statements in compliance with national "Certificate of Excellence" program reporting formats?

Yes _____ No ✓

If yes, list governmental agencies:

Percent of time allocated for the following purposes:

Financial Compliance/Reporting	<u>30%</u>
Internal Control	<u>30%</u>
Compliance with applicable statutes	<u>40%</u>
TOTAL	<u>100%</u>

PART F – AUDIT SERVICES

Date May 10, 2012

CPA Firm name and address: JOSEPH EVE
401 North 31st Street, Suite 1600
Billings, MT 59101

Phone number (406) 252-3535

Authorized signature and title _____
Partner

Three Year Total (Year 2012, 2013, 2014):

Maximum fee \$ 63,550/year (Based upon a mutual agreement of both parties)

For consulting services throughout the year:
(Classification of personnel providing consulting services and hourly rate beyond the base bid)

Classification Partner \$ 235

Classification Manager \$ 140

Classification Senior \$ 105

Proposal for Audit Services

Billings Public Schools

APPENDIX A – PEER REVIEW



WEAVER
AND
TIDWELL

L.L.P.

CERTIFIED PUBLIC
ACCOUNTANTS
AND CONSULTANTS

System Review Report

To the Partners of
Joseph Eve and the Peer Review Committee
of the Montana Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Joseph Eve (the firm) in effect for the year ended June 30, 2009. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based upon our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Joseph Eve in effect for the year ended June 30, 2009, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Joseph Eve has received a peer review rating of *pass*.

Weaver and Tidwell, LLP

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
October 1, 2009

Three Forest Plaza
13221 Merit Drive
Suite 1400
Dallas, Texas 75251-2280
972.490.1970
F 972.702.8321

WWW.WEAVERANDTIDWELL.COM

AN INDEPENDENT MEMBER OF
BAKER TILLY
INTERNATIONAL

AUSTIN

DALLAS

OFFICES IN

FORT WORTH

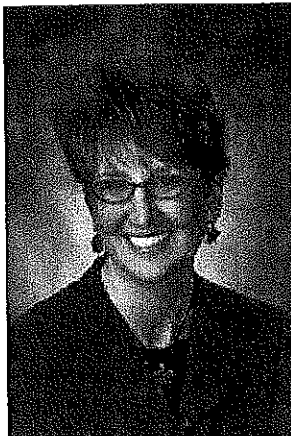
HOUSTON

SAN ANTONIO

Proposal for Audit Services

Billings Public Schools

APPENDIX B – RESUMES



Tiffany Madden

Partner

tiffany.madden@josepheve.com

(406) 252-3535

Experience:

Fourteen years as partner-in-charge of JOSEPH EVE's Billings, Montana office.

Nineteen years with JOSEPH EVE working on various governmental, housing, non-profit and employee benefit plan audits, accounting and tax engagements.

Four years as a senior accountant in a Nashville, Tennessee CPA firm.

One year as a controller in a management and development company.

Accounting and Auditing Training:

Analytical Procedures
Current Update on Single Audit and Risk Assessment Standards
Title 31 Compliance
Fraud and Abuse in Government and Non-Profits
GAO Ethics
Gaming Industry Fraud
Government Accounting and Auditing Updates
AICPA Gaming Audit and Accounting Guide
SAS 115 – Communicating Internal Control Related Matters Identified in an Audit
SAS 117 – Compliance Auditing

Audit Clients:

Battle Mountain Band Council
Crow Tribe of Indians
Tuolumne Me-Wuk Tribe
Northern Cheyenne Tribe
St. Regis Mohawk Tribe
Thlopthlocco Tribal Town
Rosebud Sioux Tribe
Northern Cheyenne Tribal School
Lame Deer Schools
Dawson Community College
City of Red Lodge
Musselshell County
Richland County
Town of Lodge Grass

Tiffany Madden

Corporate Air

Education:

B.S. Business Administration with an emphasis in Accounting
University of Montana

**Professional
Licenses/Certifications:**

Certified Public Accountant in the following states:

- Montana (License #2620)
- Minnesota (License #17468)
- South Dakota (License #2381)
- Wisconsin (License #15663)
- Wyoming (License #2242)

**Professional Activities and
Societies:**

Ms. Madden has been an instructor at various in-house continuing professional education courses. She is a past member of the Montana Society of CPAs' Governmental Audit Quality Control Committee, which reviews selected audit reports issued by CPAs for compliance with professional standards and ensures that the expected level of performance is achieved in the conduct of audits in the local government environment. She is also a recipient of the Montana Society of CPAs' Senior Medallion Award which annually honors one accounting senior from each Montana University for outstanding achievement.

Montana Society of CPAs
American Institute of CPAs
Billings Chapter of Certified Public Accountants



Lani Milks

Manager/Technical Reviewer
lani.milks@josepheve.com
(406) 252-3535

Experience:

Lani has been with JOSEPH EVE since 1996 as the technical reviewer of audit, review and compilation engagements as well as the internal reviewer and peer review coordinator for the firm.

Lani has twenty years experience with audits of tribal organizations, housing, not-for-profit organizations, small businesses, employee benefit plans and other governmental entities, and preparing audited, reviewed and compiled financial statements.

Accounting and Auditing Training:

Analytical Procedures
Current Update on Single Audit and Risk Assessment Standards
Title 31 Compliance
Fraud and Abuse in Government and Non-Profits
GAO Ethics
Gaming Industry Fraud
Government Accounting and Auditing Updates
AICPA Gaming Audit and Accounting Guide
SAS 115 – Communicating Internal Control Related Matters Identified in an Audit
SAS 117 – Compliance Auditing

Education:

Bachelor of Science in Business Administration, Accounting Option
Montana State University - Billings

Professional Licenses/Certifications:

Certified Public Accountant (License #3053)

Professional Activities and Societies:

Instructor at in-house certified education classes on ethics, governmental accounting and auditing. Served on Monitoring Committee for Montana Board of Public Accountants.

American Institute of Certified Public Accountant
Montana Society of Certified Public Accountants



Kim Schwend

Manager

kim.schwend@josepheve.com

(406) 252-3535

Experience:

Nine years of combined experience in auditing Tribal organizations, casinos, non-profit organizations, governmental entities, construction companies, hospitals, counties and employee benefit plans. Two years experience in preparing tax returns.

Accounting and Auditing Training:

Analytical Procedures
Current Update on Single Audit and Risk Assessment Standards
Title 31 Compliance
Fraud and Abuse in Government and Non-Profits
GAO Ethics
Gaming Industry Fraud
Government Accounting and Auditing Updates
AICPA Gaming Audit and Accounting Guide
SAS 115 – Communicating Internal Control Related Matters Identified in an Audit
SAS 117 – Compliance Auditing

Audit Clients:

Crow Tribe
Rosebud Sioux Tribe
San Carlos Apache Tribal Affiliation
Shoshone- Paiute Tribe
Tuolumne Me-Wuk Tribe
Thlopthlocco Tribal Town
United Auburn Indian Community
Narragansett Indian Tribe
Northern Cheyenne Tribe
Ho-Chunk Nation
Richland County

Education:

BA in Accounting
Montana State University – Billings

Professional Licenses/Certifications:

Certified Public Accountant (License #5324)

**Professional Activities and
Societies:**

American Institute of Certified Public Accountants
American Society of Women Accountants
Montana Society of Certified Public Accountants
Association of Certified Fraud Examiners



Greg Koberlein

Senior Auditor

gregory.koberlein@josepheve.com

(801) 433-2289

Experience:

Greg has over six years experience auditing governmental entities, benefit plans and not for profit organizations. He has acted as the auditor In-charge on numerous city, school district and special district engagements. Greg also has extensive experience planning and conducting A-133 compliance testing for local governments. Greg prides himself on maintaining an open dialogue with clients to ensure that expectations and deadlines are met.

Accounting and Auditing Training:

Analytical Procedures
Current Update on Single Audit and Risk Assessment Standards
Title 31 Compliance
Fraud and Abuse in Government and Non-Profits
GAO Ethics
Gaming Industry Fraud
Government Accounting and Auditing Updates
AICPA Gaming Audit and Accounting Guide
SAS 115 – Communicating Internal Control Related Matters Identified in an Audit
SAS 117 – Compliance Auditing

Past In-Charge Clients:

City of Tillamook, Oregon
City of Rainier, Oregon
City of La Pine, Oregon
City of Lowell, Oregon
Lane Education Service District, Oregon
Woodburn School District, Oregon
Culver School District, Oregon
Jefferson School District, Oregon
McKenzie School District, Oregon
Canby Fire District, Oregon

Greg Koberlein

Education:

Bachelor of Accounting
Utah Valley University
Master of Business Administration
Portland State University

Professional Licenses/Certifications:

Certified Public Accountant



Dan McInerney

Senior Auditor

daniel.mcinerney@josepheve.com

(406) 252-3535

Experience:

Two years experience auditing Governmental entities and Tribal Casinos. Dan specializes in governmental accounting and OMB Circular A-133 Audits of States, Local Governments and Non-Profit Organizations. Accounting education and other experience includes income tax, advanced accounting topics, intermediate accounting I & II, financial accounting, nonprofit accounting, accounting information systems, cost management, managerial accounting, auditing, payroll topics, and business law.

Accounting and Auditing Training:

Analytical Procedures
Current Update on Single Audit and Risk Assessment Standards
Title 31 Compliance
Fraud and Abuse in Government and Non-Profits
GAO Ethics
Gaming Industry Fraud
Government Accounting and Auditing Updates
AICPA Gaming Audit and Accounting Guide
SAS 115 – Communicating Internal Control Related Matters Identified in an Audit
SAS 117 – Compliance Auditing

Audit Clients:

Crow Tribe of Indians
Kickapoo Tribe of Oklahoma
Northern Cheyenne Tribe
Oglala Sioux Tribe
Rosebud Sioux Tribe
Thlopthlocco Tribal Town
Northern Cheyenne Tribal School
Uintah River High School
Richland County

Education:

Bachelor of Science, Business Administration/Accounting
University of Montana

Professional Licenses/Certifications:

Certified Public Accountant (License #5970)

Proposal for Audit Services

Billings Public Schools

APPENDIX C - EXPERIENCE

School Audit Experience

<u>Organization</u>	<u>Service</u>	<u>Period Ended</u>
Grand Canyon Unified School District Grand Canyon, Arizona Lee Metheny, Business Manager (928) 638-2461	Single Audit	6/30/2007 6/30/2006 6/30/2005
Marty Indian School Marty, South Dakota Pat Mullen, Superintendent (605) 384-5432	Single Audit	6/30/2009 6/30/2008 6/30/2007 6/30/2006 6/30/2005
Nazlini Community School Grando, Arizona Phyllis Tachine, Finance Director (928) 755-3729	Single Audit	6/30/2011 6/30/2010
Nazlini Junior High Charter School Grando, Arizona Loren Joseph, Principal (928) 755-3729		6/30/2011 6/30/2010
Northern Cheyenne Tribal School Lame Deer, Montana Ben Lonebear, Treasurer (406) 477-6980	Single Audit	6/30/2011 6/30/2010 6/30/2009 6/30/2008 6/30/2007 6/30/2006
Pinon Community School Pinon, Arizona Oscar Tso, Principal (928) 725-3234	Single Audit	6/30/2011 6/30/2006 6/30/2005 6/30/2004 6/30/2003
Ramah Navajo School Board, Inc. Ramah, New Mexico Maxine Coho, Controller (505) 775-4154	Single Audit	12/31/2007
Red Mesa Unified School District No. 27 Tee Nos Pos, Arizona Robert Debus, Interim Superintendent (928) 656-4100	Single Audit	6/30/2009

School Audit Experience

School District No. 1	Single Audit	6/30/2011
Corvallis, Montana		6/30/2010
Vanessa Bargfrede, District Clerk		6/30/2009
(406) 961-4211		6/30/2008
		6/30/2007
 School District No. 25		6/30/2011
Hobson, Montana		6/30/2010
Sherri Bergstrom, Clerk		6/30/2009
(406) 423-5483		6/30/2008
		6/30/2007
 School District No. 6	Single Audit	6/30/2004
Lame Deer, Montana		6/30/2003
Carmen Scalpcane, Business Manager		6/30/2002
(406) 477-6308		6/30/2001
 Shannon County School District	Single Audit	6/30/2008
Batesland, South Dakota		
Dan Elwood, Superintendent		
(605) 288-1921		
 Uintah River Charter School		6/30/2011
Fort Duchesne, Utah		6/30/2010
Bill Phillips, Finance Director		6/30/2009
(435) 722-5141		6/30/2008
		6/30/2007

Governmental Single Audit (A-133) Experience

<u>Organization</u>	<u>Type</u>	<u>Period Ended</u>
Battle Mountain Band of Te-Moak Tribe	Single Audit	9/30/2011
35 Mountain View Drive # 138-13		9/30/2010
Battle Mountain NV 89820		9/30/2009
Roberta Burton, Finance Director		9/30/2008
(775)635-2004		9/30/2007
		9/30/2006
		9/30/2005
City of Red Lodge, Montana	Single Audit	6/30/2008
PO Box 9		6/30/2007
Red Lodge MT 59068		6/30/2006
Debbie Tomicich, Clerk		6/30/2005
(406) 446 - 1606		6/30/2004
Comanche Nation	Single Audit	9/30/2009
PO Box 908		9/30/2008
Lawton OK 73502		9/30/2007
Johnny Wauqua, Tribal Administrator		9/30/2006
(580)492-4988		
Crow Tribe of Indians	Single Audit	9/30/2011
PO Box 159		9/30/2010
Crow Agency, MT 59022		9/30/2009
Kristin Johnson, Finance Director		9/30/2008
(406) 638-3843		9/30/2007
		9/30/2006
Ho-Chunk Nation	Single Audit	6/30/2011
PO Box 9814 Airport Road		6/30/2010
Black River Falls WI 54615		6/30/2009
Sandra Gleason, Treasurer		6/30/2008
(800) 799-2873		6/30/2007
		6/30/2006
		6/30/2005
Karuk Tribe	Single Audit	9/30/2011
PO Box 1016		9/30/2010
Happy Camp CA 96039		9/30/2009
Laura Mayton, Chief Financial Officer		9/30/2008
(530) 493-5305		9/30/2007
		9/30/2006

Governmental Single Audit (A-133) Experience

<u>Organization</u>	<u>Service</u>	<u>Period Ended</u>
Narragansett Indian Tribe PO Box 268 Charlestown RI 02813 Speedi Burrell, Director of Finance (401) 364-1100	Single Audit	12/31/2010 12/31/2009 12/31/2008 12/31/2007 12/31/2006 12/31/2005
Richland County 201 West Main Sidney, MT 59270 Stephaine Verhasselt, Clerk and Recorder (406) 433-1706	Single Audit	6/30/2011 6/30/2010 6/30/2009 6/30/2008
Rincon Band of San Luiseno Mission Indians PO Box 68 Valley Center CA 92082 Scott Layton, Director of Finance (760) 749-1051	Single Audit	12/31/2008 12/31/2007 12/31/2006 12/31/2005 12/31/2004
Rosebud Sioux Tribe PO Box 430 Rosebud, SD 57570 James Wike, Chief Financial Officer (605) 747-2381	Single Audit	9/30/2011 9/30/2010 9/30/2009 9/30/2008 9/30/2007 9/30/2006
San Carlos Apache Tribe PO Box 0 San Carlos, AZ 85550 Patty Bowyer, Comptroller / Treasurer (520) 475-2361	Single Audit	9/30/2009 9/30/2008 9/30/2007 9/30/2006 9/30/2005
Santa Rosa Rancheria Tachi Tribe PO Box 668 Lemoore CA 93245 Tess Blair, Accounting Manager (559) 924-3948	Single Audit	12/31/2011 12/31/2010 12/31/2009 12/31/2008 12/31/2007 12/31/2006 12/31/2005
St. Regis Mohawk Tribe 412 State Route 37 Akwesasne NY 13655 Brian Fent, CFO (518) 358-2272	Single Audit	12/31/2008 12/31/2007 12/31/2006 12/31/2005

Governmental Single Audit (A-133) Experience

<u>Organization</u>	<u>Service</u>	<u>Period Ended</u>
Stone Child Community College Rocky Boy Route, Box 1082 Box Elder MT 59521 Jewel Whitford, Bussines Manager (406) 395 4875	Single Audit	6/30/2011 9/30/2010 9/30/2009 9/30/2008 9/30/2007 9/30/2006 9/30/2005
Sycuan Band of Mission Indians 5459 Casino Way El Cajon CA 92019 Mark Woelfel, CFO/Controller (619) 442-3425	Single Audit	12/31/2011 12/31/2010 12/31/2009 12/31/2008 12/31/2007 12/31/2006
Thlopthlocco Tribal Town PO Box 188 Okemah, OK 74859 Ron Barnett, Treasurer (918) 560-6198	Single Audit	9/30/2011 9/30/2010 9/30/2009 9/30/2008 9/30/2007 9/30/2006
Ute Indian Tribe PO Box 190 Ft. Duchesne UT 84026 Lyle Lemon, Controller (435) 722 5141	Single Audit	9/30/2010 9/30/2009 9/30/2008 9/30/2007 9/30/2006

Proposal for Audit Services

Billings Public Schools

APPENDIX D – SAMPLE AUDIT PREPARATION GUIDE

**Sample School District
Audit Preparation Guide
June 30, 2012**

		RECEIVED	
GENERAL INFORMATION NEEDED		BY	DATE
1.	Copies of year end and monthly financial statements for the School. If possible, we need these statements in electronic format.		
2.	Adjusting journal entries to review, including year end adjusting entries, as necessary.		
3.	Copies of the Trustee's Report as of June 30, 2012. We will also need the general ledger detail for the period under audit.		
4.	Copies of the following agreements: <ul style="list-style-type: none"> • All lease agreements in effect during FY2012. Please separate these agreements between operating and capital lease obligations. For all capital lease obligations, we will need an amortization schedule separating interest and principal payments. • Any other contracts/debt obligations entered into during the year or in effect during the fiscal year. 		
5.	Names and addresses for all the attorneys who provided legal assistance to the School during the year. We will then prepare standard attorney letters, inquiring as to any pending litigation.		
6.	A fund number listing and chart of accounts. Please ensure the listing is all inclusive.		
7.	Copy of the following policies: <ul style="list-style-type: none"> • Personnel policy and procedures manual. • Policy for accounting for reward points. • Accounting policy and procedures. • All other internal control manuals. 		
8.	Copy of the following budgets: <ul style="list-style-type: none"> • Approved operating budget for FY2012. • Approved capital expenditure budget for FY2012. 		
9.	Please send us copies of all School Board resolutions passed in the year which deal with finance and accounting related matters.		
10.	Copy of current organization chart with names of all board members.		
11.	Copies of school board minutes		
12.	Prepare combining financial statements for each fund group. Review and verify that fund balances reconcile to the prior years audit report.		
13.	Prepare combined financial statements and related notes to the financial statements.		

14.	Prepare the Schedule of Expenditures of Federal Awards for the year in the format provided including the following information: <ul style="list-style-type: none"> • Program description • CFDA number • Grant/Contract number • Award period • Total Award amount • (Accrued) Deferred revenue beginning of year • Program receipts • Amounts returned to grantor • Other receipts/transfers • Expenditures • (Accrued) Deferred revenue end of year 		
15.	Job descriptions for the school management, finance and accounting staff for the year.		
16.	Copies of ongoing purchase contract agreements for the year		
17.	Copies of interfund receivables and payables reconciliations at June 30, 2012.		
18.	Schedule or listing of amounts in any other asset accounts shown on the trial balances at which were not discussed in the following sections. (i.e. prepaid expenses, due from other funds, etc.)		
CASH AND BANK ACCOUNTS			
1.	Copies of bank reconciliations, County Treasurer statements, and bank statements for the month ending June 30, 2012.		
2.	Copies of outstanding check lists for fiscal year 2012, which include check numbers, date written, amount and payee.		
3.	Bank transfer schedule listing all transfers between banks by wire, check, etc. for the period beginning June 20, 2012 through July 10, 2012.		
4.	Check register for the two months following the end of the fiscal year for all vendor related checking accounts. We need to receive these registers in electronic format (excel format preferred)		
5.	Copies of pledged collateral agreements from the bank.		
6.	List of all restricted cash accounts.		
7.	List of journal entries made to any cash account.		
8.	List of check signers.		
9.	Please send us check registers for all bank accounts so we can select our disbursement and payroll test samples. We need to receive these check registers in electronic format (excel format preferred)		
10.	A listing of all bank and investment accounts with balances as of June 30, 2012. This will enable us to prepare standard confirmations. Please include the name and address of each financial institution and applicable account number.		

INVESTMENTS			
1.	Detailed records of security acquisitions, sales, etc.		
2.	Copies of all investment statements, or other support, to document the fair market value of the investments.		
RECEIVABLES			
1.	Detailed listings of the balances for all accounts receivables.		
2.	Subsequent payments made to any accounts receivable during the two months following the end of the fiscal year.		
3.	Identify employee and related party accounts receivable.		
4.	Calculation of allowance of doubtful accounts.		
5.	Schedules or other support showing amounts which make up the receivable balances. <u>These amounts should agree per the applicable trial balances.</u>		
PREPAID EXPENSES AND OTHER ASSETS			
1.	A schedule of the balances in the various prepaid accounts at year end.		
2.	Prepare a schedule of insurance premiums paid and amounts charged to expense.		
3.	Copies of insurance policies in effect during the year.		
INVENTORY			
1.	Detail lists and summary sheets of inventories on hand at physical count date, priced and extended, by department.		
2.	Reconciliation of these lists to final general ledger balances.		
PROPERTY AND EQUIPMENT			
1.	Provide a copy of year end depreciation schedules that agree to the general ledger balances.		
2.	Pull support for all current year additions over \$10,000.		
3.	Schedule of all property sold, junked, destroyed or otherwise disposed of during the current year.		
4.	Listing of all fixed assets disposed of during the year showing the following information: <ul style="list-style-type: none"> • Cost • Accumulated depreciation • Proceeds from sale • Gain or loss on disposal • If asset traded in, show the net book value of the traded asset that was added to new asset value 		

5.	For fixed assets, show by class of asset (including construction in progress) and accumulated depreciation the following information: <ul style="list-style-type: none"> • Balance beginning of year • Additions • Deletions • Balance end of year • Detail listings of all fixed assets including acquisition date, cost, useful life, book value, accumulated depreciation, and function this asset belongs to. 		
6.	We will need general ledger detail for all repair and maintenance accounts. Please pull supporting documentation for all R & M expenses over \$5,000.		
7.	Copy of capitalization policy.		
8.	List of adjusting journal entries made to the property.		
9.	Reconcile capital outlay to fixed asset purchased.		
ACCOUNTS PAYABLE			
1.	Provide detail list of accounts payable by fund.		
2.	Reconcile list total to final general ledger balance.		
3.	For accounts payable, keep copies of all June 30, 2012 statements received from vendors so they can be reconciled to the open invoices on the accounts payable listings.		
4.	Denote any accounts payable to officers, management, affiliates, or employees included in accounts payable detail, from #1 above.		
5.	Reconcile all significant differences between vendor statements received and year-end accounts payable.		
6.	Calculation and support for following accounts payable: <ul style="list-style-type: none"> • Accounts payable trade - detail listing • Other accruals – detail listing • Accrued payroll listing by department – detail listing 		
OTHER LIABILITIES			
1.	Schedule of all payroll tax accrual accounts. Pull documentation (check and reports) for all such subsequent payments.		
2.	Prepare detailed schedules of all other liability accounts.		
3.	Prepare detailed schedule of the accrued paid time off and accrued salaries account, including employee, amount of days accrued at year end, salary per year, and their information used to calculate liability at year end.		
4.	For accrued interest, show balance beginning of year, cash payments during the year, interest expense accrual for year, and end of year accrual.		
5.	Prepare a listing and support for the amount that is due to other funds.		
6.	Documentation indicating subsequent payroll tax payments i.e. bank statements, EFT worksheets, cancelled checks, etc.		

7.	Detailed list of compensated absences.		
CURRENT AND LONG-TERM DEBT			
1.	Prepare schedule of all notes, contracts and other long term liabilities payable during the year, showing for each loan or other long term liability the balance at the beginning of year, additional borrowings, payments and the balance at end of year.		
2.	Prepare a schedule of any capital leases payable during the year and any long-term leases.		
3.	Provide copies of any new debt agreements or promissory notes.		
4.	Prepare an amortization schedule as of June 30, 2012 for each loan or other long term liability which shows annual maturities of principal and interest for long-term debt for the remaining term of loan.		
5.	Prepare a schedule of annual maturities for capital leases payable.		
6.	General ledger detail on interest expense.		
7.	Reconcile debt service to payments in schedule at Step 1.		
EQUITIES			
1.	Provide a schedule of distributions and other activity for the year and pull related support documentation including cancelled checks. In addition, we would also like a written confirmation from the School that the distribution recorded on the books agrees to the Tribe's books. (Include a copy of general ledger activity for the year for equity accounts)		
2.	Analysis of the contributed capital account. (i.e. print out of the g/l) and descriptions of the contributed capital.		
3.	Reconcile beginning equity balances to the audit report balances. Please provide detailed records of amounts employees earned in unemployment benefits and what the School paid the State for unemployment claims.		
REVENUES AND EXPENSES			
1.	Drawdown schedule and the bank statements for the entire fiscal year where the deposits are made. Please provide ASAP in addition please provide an excel SEFA schedule.		
2.	A schedule needs to be prepared listing all the drawdowns for each grant or contract program. This requires reconciling all drawdowns and revenues to the books.		
3.	Copies of drawdown requests or other documentation to support all balances in grant/contract receivable accounts. <u>These amounts should agree per the applicable trial balances.</u>		
PAYROLL AND EXPENSES			
1.	Copies of payroll reports (941's) reconciled to general ledger .		
2.	Schedule of employer and employee contributions for any 401(k) plan for the year (if applicable).		

COMPLIANCE			
1.	Copies of federal/state grants and contracts in effect during the audit period.		
2.	Copies of any compliance reviews or audit reports conducted by Federal or State agencies during the fiscal year.		
3.	Copies of quarterly and fiscal year end close out reports for Federal/State grant awards or contracts for the fiscal year.		