



May 24, 2019

Dear Sir or Madam:

The Imagine Schools of the South Florida Region and the Governing Board of Imagine Broward, Inc. ("Charter School"), are accepting proposals from CPA firms to provide audited financial statement services for the Charter School. Imagine Charter Schools are publicly funded schools operating under a charter granted to the Charter Schools. We invite your firm to submit your sealed proposal by 3:00 p.m. on June 14<sup>th</sup>, 2019 for consideration. Proposals received after 3:00 p.m. on date due will not be considered.

Following is the scope of service required.

1. Audited financial statement reports addressed to the Governing Board of the Charter School, for the July 1, 2018 through June 30, 2019 fiscal year.
  - a. The financial statement audit shall be conducted in accordance with the generally accepted accounting principles and standards for financial auditing in the Government Auditing Standards issued by the Comptroller General of the United States, the provisions of the federal Single Audit Act of 1984 (as amended in 1996) and U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.
  - b. The report shall utilize format and content consistent with generally accepted auditing standards for financial auditing in the Government Auditing Standards issued by the Comptroller General of the United States.
  - c. Report to be prepared for the Charter Schools, Imagine Schools, the Auditor General of the State of Florida, and the School Board of each of the Counties.
2. Should a management letter be issued, the letter will be addressed to the Governing Board. If no significant concerns or weaknesses were discovered, the Auditor will provide a statement to the Governing Board advising them of such.
3. The Auditor will discuss in person at one of the governing board meetings with the Governing Board and Imagine Schools the results of the audit and any matters involving:
  - a. Deficiencies in the design or operation of internal controls that could adversely affect the school's ability to manage its finances under standards established by the American Institute of Certified Public Accountants.
  - b. Deficiencies in adherence to relevant laws, regulations, contracts or agreements
  - c. Issues of compliance with all tax requirements
  - d. Potential errors, fraud or other illegal acts detected in the process of the audit
  - e. Possible improvement in fiscal management and operations.

### Description of the Charter School

The auditor should be aware that the schools have an annual budget of several million dollars. The majority of the funds are allocated by the State of Florida earned through the Florida Education Funding Program and disbursed through the School District of Broward County. Local revenue is earned through the collection of lunch monies, fundraising, Title I and fee-based programs. The Governing Board has an agreement with Imagine Schools, Inc. to operate the school on its behalf. Further information about the school and prior year audited financial statement can be located at the school's website.

The school that will need to have proposals for the 18-19, 19-20 and 20-21 school years is the following:

Imagine School at Broward

### Key Contact

Following is the key contact for information you may seek in preparing your proposal:

Ms. Elsa Forthmuller  
Region Finance Director, Imagine Schools South Florida  
13790 NW 4<sup>th</sup> Street  
Suite 108  
Sunrise, Florida 33325  
954-870-5032  
[elsa.forthmuller@imagineschools.org](mailto:elsa.forthmuller@imagineschools.org)

All questions regarding this RFP must be submitted via email to [elsa.forthmuller@imagineschools.org](mailto:elsa.forthmuller@imagineschools.org) prior to the due date of June 14, 2019. Responses to all questions from the proposers may be posted on the charter school's website.

Please return seven (7) copies and an electronic copy of your completed proposal in a sealed and plainly marked envelope "Independent Audit Services for Imagine Charter School" to the address below.

Imagine Schools  
South Florida Region  
13790 NW 4<sup>th</sup> Street  
Suite 108  
Sunrise, FL 33325  
Attn: Elsa Forthmuller, Regional Finance Director

**IMAGINE SCHOOLS - SOUTH FLORIDA REGION OFFICE**  
13790 NW 4<sup>th</sup> Street, Suite 108, Sunrise, FL 33325  
Tele: 954-870-5023 - Fax: 954-530-0631  
- [www.imagineschools.org](http://www.imagineschools.org)

## Your Response to This Request for Proposal

In responding to this request, the following information is requested and will be used in the evaluation of audit services. Each Category (i.e. firm introduction, experience) will be evaluated by an award of points as identified.

1. Firm's Introduction
  - a. Provide a brief firm history and overview including ownership, size, and location of the office responsible for providing the required auditing services.
  - b. Please submit your Charter School client list, if applicable.
  - c. State how long your firm has been in business.
  - d. Include resumes for specific team members that will be assigned to this project, include assurance that the audit will be directed by a licensed CPA in the State of Florida and an individual who has completed the required continuing education requirements in governmental accounting. Please include anticipated responsibilities, current workload and ability to appropriately service this account. Any experience outside your firm should be identified in the respective individual's resume.
  - e. Describe any work your firm or its partners have performed for Imagine Charter Schools.
  - f. Provide a statement of any litigation for regulatory action that has been filed against your firm in the last three years.
  
2. Firm's Experience
  - a. List relevant firm experience with this specific type of transaction and your experience with public or private educational institutions including school districts, charter schools, or other relevant organizations and your firm's specific role of each.
  - b. Provide three references from clients, preferably educational institutions. Include contact name, title, address, and phone number.
  
3. List of Supporting Documents Needed
  - a. Provide a list of preliminary supporting documents you will need to initiate the audit.
  - b. Submit a suggested timeline for review of the preliminary supporting documents and submission of a list of additional documents needed following the preliminary review.
  
4. Communication Plan and Timeline
  - a. Plan for communicating planned activities to the Imagine School Principal and Region Director and for communicating progress toward completion of work.
  - b. Proposed timeline for completion of work (recognizing your dependence for Imagine Charter Schools to provide appropriate documentation).
  - c. Assurance statement that the audit will be completed by required deadline.
  
5. Quality Control Review Report
  - a. Attach a copy of your most recent quality control review report required by the Government Auditing Standards.

6. Price
  - a. Firm prices shall be proposed and include all packing, handling, shipping charges and delivery to the Governing Board. This price will include any and all time necessary for transition to a successor auditor should and when the event may occur. No additional fees may be charged for such transition.
  
7. Indemnification and Insurance:
  - a. Vendor agrees to indemnify and hold harmless, and defend the Imagine Charter Schools, from an against any and all actions, claims, liabilities, assertions of liability, losses, costs and expenses, in connection with this Agreement.
  - b. The vendor agrees to present proof of professional liability insurance naming the Imagine Charter School, as additional insured with coverage of \$1 million dollars per occurrence if hired for the audit.

Key Audit Dates

Anticipated key audit dates are as follows:

- Curricular and Program Information available from the School by: July 12, 2019
- Financial records provided to Auditor by school by: July 31, 2019
- Program Cost Reports and State categorical reports: August 15, 2019
- Unaudited Annual Financial Statement Report by: August 15, 2019
  
- Preliminary Audited Financial Statement Report to the Governing Board by: September 16, 2019
- Meet with Governing Board and Imagine Schools in person to discuss draft Audited Financial Statement Report and management letter by: September 20, 2019
- Final Audited Financial Statement Report and management letter due to the Governing Board by: September 24, 2019
  
- Final Audited Financial Statement Report due to the School Districts, Board and Auditor General of the State of Florida Prior to September 30, 2019

(Dates are subject to change, by the requirements set forth by the School District of Broward County and Imagine Schools.)

General Conditions

1. The Governing Board reserves the right to reject any or all proposals submitted and to waive informalities and minor irregularities in any proposal reviewed. Further, the Governing Board may reject any proposal which does not conform to the instructions herewith. Additionally, the right to negotiate all final terms and conditions of any agreement entered into is hereby reserved.

2. Proposals submitted will be evaluated by an Audit Committee: During the evaluation process, the right is reserved, where it may serve the Charter School's best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions. The Audit Committee and/or the Governing Board may, in its sole discretion, elect to conduct oral interviews.
3. The Governing Board reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected.
4. 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.
5. The fee for auditing services will not be the sole or predominant factor during the evaluation process.
6. It is anticipated the selection of an audit firm will be completed by June 20, 2019. Following the notification of the selected firm it is expected a contract will be executed between both parties no later than June 25, 2019.
7. By submitting a proposal your firm agrees to abide to the terms of this request for proposal.

#### Term of Engagement

The selected firm will be awarded a three (3) year contract. The Charter School reserves the right to extend the contract for two (2) additional one (1) year extensions providing: (a) both parties to the contract agree to the extension; (b) all the terms, conditions, and specifications remain the same; and (c) such extension is approved by the Governing Board. The contract may be terminated as provided in the form agreement provided herewith.

#### Scope of Work to be Performed

1. The Governing Board desires the independent auditor to express an opinion on the fair presentation of the basic financial statements of the Charter Schools in conformity with generally accepted accounting principles.
2. The Governing Board also desires the auditor to express an opinion on the fair presentation of its fund financial statements and schedules in conformity with generally accepted accounting principles. The auditor is not required to audit the supporting schedules contained in the comprehensive annual financial report. However, the auditor is to provide an "in-relations-to" opinion on the supporting schedules based on the auditing procedures applied during the audit of the fund financial statements and schedules. The auditor is not required to audit the introductory section of the report or the statistical section of the report.

To comply with the continuing disclosure for the 2019 series bonds, the audit is to include subsequent information calculating the Debt Service Coverage Ratio and Days Cash on Hand.

3. The auditor shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.
4. The auditor is required to audit the schedule of expenditures of Federal and State awards in accordance with the Federal and Florida Single Audit Act respectively.
5. The auditor shall also be responsible for submitting the Governing Boards Form 990, Return of Organization Exempt from Income Tax, and all schedules and attachments to the Internal Revenue Service (IRS) by May 15<sup>th</sup>.
6. Auditing Standards to be followed:

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

- a. Generally Accepted Auditing Standards as set forth by the American Institute of Certified Public Accountants;
- b. The standards for financial audits set forth in the U.S. General Accounting Offices' *Government Auditing Standards* (2003 Revision);
- c. The provisions of the Federal Single Audit Act of 1984 (as amended in 1996 and subsequently);
- d. The Florida Single Audit Act;
- e. The provisions of the U.S. Office of Management and Budget (OMB) Circular A-133;
- f. Audits of States, Local Governments, and Non-Profit Organizations, Audits of State and Local Governments (Revised – AICPA);
- g. Chapter 218 and Section 1002.33, Florida Statutes.
- h. State of Florida Department of Banking and Finance Regulations;
- i. Rules adopted by the State of Florida Auditor General for form and content of governmental unit audits;
- j. Any other applicable Federal, State and local laws or regulations;

Any updates of, or amendments to, these described auditing standards are to be incorporated in future audits performed by the selected auditor performing auditing engagements for the Governing Board in future fiscal years.

### Reports to be Issued.

Following the completion of the audit of the Charter Schools' financial statements for the fiscal year ending June 30<sup>th</sup>, the auditor shall issue:

1. A Report of Independent Certified Public Accountants on the fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States, pursuant to an audit conducted in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.
2. A Report of Independent Certified Public Accountants on Compliance and on Internal Control over Financial Reporting based on an audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. A report of Independent Certified Public Accountants on Compliance and Internal Control over Compliance Applicable to Each Major Federal Awards Program and State Financial Assistance Project.
4. Management Letter in accordance with the Rules of the Auditor General of the State of Florida.
5. In the required report(s) on compliance and internal controls, the auditor shall communicate any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.
6. In addition, the following conditions shall be considered reportable:

Reportable conditions that are also material weaknesses shall be identified as such in the report.

Non-reportable conditions discovered by the auditors shall be reported in a separate Management Letter, which shall be referred to in the report(s) on compliance and internal controls.

Irregularities and illegal acts. The auditors shall be required to make an immediate, written report to the Governing Board and Rod Sasse, EVP of Imagine Schools of all irregularities and illegal acts or indications of illegal acts of which they become aware.

Reporting to the Governing Board. Auditors shall also disclose the following:

1. The auditor's responsibility under generally accepted auditing standards, and assurances that the independent auditor is currently licensed, and that the members of the audit team have the minimum required Continuing Professional Education credits required for performing audits under Governmental Auditing Standards.
2. Significant accounting policies.
3. Management judgments and accounting estimates.

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4. Significant audit adjustments.
5. Other information in documents containing audited financial statements.
6. Disagreements with management.
7. Management consultation with other accountants.
8. Major issues discussed with management prior to retention.
9. Difficulties encountered in performing the audit.

The final approved audited financial statements shall be provided in PDF format to the Key Contact.

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 three (3) years, unless the firm is notified in writing by the Charter School of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the Charter School or their designee.

- The Charter School Governing Board
- Imagine Schools, Inc.
- U.S. Department of Housing and Urban Development
- U.S. General Accounting Office (GAO)
- Auditor General of the State of Florida
  
- Parties designated by the federal or state governments or by the Governing Board as part of an audit quality review process.
  
- Auditors of entities of which the Charter School is a recipient or a sub recipient of grant funds.

In addition, the firm shall respond to the reasonable inquiries of successor auditors and assist and allow successor auditors to review working papers relating to matters of continuing accounting, reporting or auditing significance without further expense to the Charter School.

Sincerely,

Elsa Forthmuller