

*Middle Kentucky*



171 Howell Heights  
Jackson, KY 41339  
Phone: (606) 666-2452  
Fax: (606) 666-9780  
Email: [mkfinanceofficer@mkcap.org](mailto:mkfinanceofficer@mkcap.org)

Darrell R. Shouse  
Executive Director

## **Request for Proposals to Audit**

**Inquiries and proposals should be directed to:**

**Middle Kentucky Community Action  
Partnership, Inc.  
171 Howell Heights  
Jackson, KY 41339  
(606) 666-2452**

**ATTN: Darrell R. Shouse, Executive Director  
or  
Christopher Chaney, Financial Officer**

## **Request for Proposals to Audit**

Middle Kentucky Community Action Partnership, Inc. (Middle Kentucky CAP, Inc.) is a non-profit community action agency headquartered in Jackson, Kentucky. The agency serves the four counties in eastern Kentucky of Breathitt, Lee, Owsley, and Wolfe. The agency administers programs funded by various federal, state, and local agencies with a total estimated annual budget between \$7 and \$9 million. Each program is accounted for as a separate fund.

Middle Kentucky CAP, Inc. is requesting proposals to audit services including financial records and compliance auditing for the fiscal year ending June 30, 2017. Only independent certified public accounting firms qualified to do business in the Commonwealth of Kentucky will be considered. Contract renewal is negotiable for single year terms.

Records to be audited include

### **Audit Requirements**

The audit shall be conducted in accordance with generally accepted auditing standards, the standards set forth in the U.S. General Accounting Office's (GAO) most recent Government Auditing Standards, applicable Financial Account Standards Board Pronouncements, the U.S. Office of Management and Budget (OMB) Super Circular, Audits of Non-Profits and any other Program specific requirements.

The specific reports to be issued must include:

1. Single Audit Report and Independent Auditor's Opinion
2. Organization Financial Statements
3. Schedule of Expenditures of Federal Awards
4. Reports on Compliance and Internal Control
2. Statement of Financial Position – Balance Sheet
3. Statement of Activities
4. Statement of Functional Expenses
5. Statement of Cash Flows
6. Statement of Revenues, Expenses and Fund Balance
7. Statement of Revenue, Expenditures, and Fund Balance - Organization-wide and by individual Fund. (Additional Supplemental Schedules as requested – example, Grants by location.)
8. Reconciliation of Revenues and Expenditures for Program Fiscal Year versus Audited Fiscal Year
9. Comparative Schedules of Budgeted to Actual Revenues and Expenditures by Fund
10. Schedule of Expenditures of Federal Awards
11. Statement of Allowable Expenditures
12. Schedule of Findings and Questioned Costs
13. Notes to Financial Statements
14. Corrective Action Plan (as necessary).

15. Other Schedules as required/requested.

An Audit Engagement Letter is required by April 27, 2017.

The auditor shall submit the audit report in “draft form” to Middle Kentucky CAP, Inc. and one copy to each of the funding sources no later than December 1, 2017.

The auditor is expected to attend the Board of Directors meeting to be held in December to present their report to the full Board. Approximately 25 copies of the “draft” audit report must be provided, by the auditor, to the Board on or before the scheduled Board meeting for review by each member.

The auditor shall provide copies of the “Final” audit report to Middle Kentucky CAP, Inc. and one copy to each of the funding sources as well as the Single Audit Clearinghouse no later than December 31, 2017, unless otherwise granted via extension.

In addition to the audit referred to above, the price quoted must include the following:

1. Preparation of IRS Form 990-Return of Organization Exempt From Income Tax.
2. Preparation and submission of the SF-SAC Data Collection Form.
3. Assistance and guidance on the preparation and submission of the Indirect Cost Rate Proposal.
4. Preparation of or assistance in preparing any other documents required by federal, state or local entities on an as needed basis.

Middle Kentucky CAP, Inc. requires that all reports be submitted timely and in accordance with all applicable guidelines.

**RFP Requirements**

Proposals must include the following:

1. Date firm was established.
2. Location of firm’s clientele.
3. Total number of professional staff.
4. Firm wide experience during calendar years 2014, 2015, and 2016 in working on the following types of audits:
  - (a) OMB Circular A-133 audits.
  - (b) Audits of Kentucky Community Action Agencies.
  - (c) Other audits of not for profit agencies that receive federal, state, and local monies.
  - (d) Audits of Head Start Programs.
5. Please identify the staffing of the audit preparation who will be assigned to the engagement and detail their experience in item 4 above.
6. Please provide at least three references from the audits referred to in item 4. This list should include names and telephone numbers that may be contacted.

7. Proposals must include a firm fixed cost, including all charges to be made.

The proposal shall include a representation letter stating that the firm is in compliance with generally accepted auditing standards and the provisions of Government Auditing Standards (most recent Revision), issued by the Comptroller General of the United States, U.S. General Accounting Office, concerning continuing education requirements, independence and external quality control review (peer review).

#### **Submission Requirements**

To be considered for contract award, a **sealed** copy of each proposal must be clearly marked **“SEALED AUDIT PROPOSAL-DO NOT OPEN”** and must be received at the office of Darrell R. Shouse, Executive Director, 171 Howell Heights Jackson, KY 41339 no later than **4:30 PM on Thursday, April 6, 2017**. Proposals received after the time and date prescribed will not be considered. No electronic submissions will be accepted.

Costs incurred in the preparation of a proposal will not be reimbursed by Middle Kentucky CAP, Inc.

Proposals will be opened by a team of individuals on Friday, April 7, 2017 at 10:00 AM. All firms submitting a proposal will be notified once a decision has been made. A decision is expected within two weeks of the closing date. A letter of understanding is required by April 20, 2017. Upon conclusion of negotiations with the selected audit firm, notices will be sent to each audit firm who responds to the RFP.

**Middle Kentucky Community Action Partnership, Inc. reserves the right to reject any and all proposals submitted, request additional information, waive any formalities, and reject any proposals that are obviously unbalanced. Furthermore, the professional accounting services purchased will be from the firm which in the opinion of Middle Kentucky is best qualified to meet the criteria established and not necessarily the lowest priced proposal. Efforts will be made to utilize small business and minority-owned businesses pursuant to 13 CFR 121.201.**

Any questions concerning the required information or details about the various programs should be directed to Christopher Chaney, Financial Officer or Darrell R. Shouse, Executive Director at (606)666-2452.