

AUDIT PROPOSAL

Between

CLARINDA COMMUNITY SCHOOL DISTRICT

AND

NOLTE, CORNMAN & JOHNSON, P.C.

PERIOD COVERED

FOR THREE YEARS ENDING JUNE 30, 2026

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NOLTE, CORNMAN & JOHNSON P.C.
Certified Public Accountants
(a professional corporation)
115 North 3rd Avenue West, Newton, Iowa 50208-3218
Telephone (641) 792-1910
Fax (641) 791-9284
Email info@ncjcpaia.com

NANCY MCKINNON, DIRECTOR OF FINANCE
CLARINDA COMMUNITY SCHOOL DISTRICT
PO BOX 59
CLARINDA, IA 51632

We would like to make a proposal to perform an audit of your district's financial statements for the year ended June 30, 2024.

Our audit will be made in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements.

An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation.

An audit directed to the expression of an opinion on the financial statements is not primarily or specifically designed and cannot be relied upon to disclose defalcations or other similar irregularities, should any exist, although their discovery may result.

Our services will include auditing of the Governmental Funds and Business Type Funds for the period of July 1, 2023 through June 30, 2024.

Nolte, Cornman & Johnson, P.C. is a member of the American Institute & Iowa Society of Certified Public Accountants, registered to practice in the State of Iowa. The firm and its audit staff are independent with regard to your audit.

We thank you for considering us as your independent auditor and look forward to working with you. We appreciate the opportunity to serve you.

We have enclosed a three-year period proposal per your request.

Please indicate your agreement with the arrangements contained in this RFP by signing and returning the enclosed contract. We will contact you with regard to scheduling when the contract is signed.

Sincerely,


NOLTE, CORNMAN & JOHNSON, P.C.

Members American Institute & Iowa Society of Certified Public Accountants

SCHOOL AUDIT PROFILE

1. Firm Name: NOLTE, CORNMAN & JOHNSON, P.C.
2. Address: 115 North 3rd Avenue West, Newton, IA 50208
3. Telephone: (641) 792-1910
4. Professional staff:

	<u>Number</u>	<u>Number CPA's</u>	<u>Average Years Experience</u>
A. Principals	1	1	39
B. Professional Staff	9	0	7

5. Schools audited by our staff in the last two years:

Adair-Casey, Adel-DeSoto-Minburn, AGWSR, Albia, Alburnett, Allamakee, Ames, Andrew, Aplington-Parkersburg, Ar-We-Va, Atlantic, Audubon, Baxter, BCLUW, Bedford, Belle Plaine, Bettendorf, Boyer Valley, Burlington, CAL, CAM, Center Point-Urbana, Centerville, Central City, Central Decatur, Central Lee, Chariton, Charles City, Charter Oak-Ute, Clarinda, Clarksville, Clear Lake, Colfax-Mingo, Columbus, Coon Rapids-Bayard, Creston, Delwood, Denison, Diagonal, Dike-New Hartford, Dunkerton, Earlham, East Marshall, East Union, Easton Valley, Eddyville-Blakesburg-Fremont, Edgewood-Colesburg, Eldora-New Providence, Exira-Elk Horn-Kimballton, Fairfield, Fort Madison, Fremont-Mills, Gilbert, Greene County, Grundy Center, Guthrie Center, Hartley-Melvin-Sanborn, Hudson, Humboldt, IKM-Manning, Indianola, Iowa Falls, Keota, Kingsley-Pierson, Knoxville, Lake Mills, Lamoni, Lenox, Lewis Central, Logan-Magnolia, Maquoketa, Maquoketa Valley, Marion Independent, Martensdale-St. Marys, Mid-Prairie, Missouri Valley, Moulton-Udell, Mt. Pleasant, New Hampton, North Butler, North Tama County, Northwood-Kensett, Norwalk, OABCIG, Orient-Macksburg, Osage, Red Oak, Riceville, Schleswig, Sergeant Bluff-Luton, Shenandoah, Sibley-Ocheyedan, Sidney, South Central Calhoun, South O'Brien, South Page, South Tama County, Southeast Warren, St. Ansgar, Stanton, Stratford, Tri-Center, Tri-County, Turkey Valley, Twin Rivers, Underwood, Union, Van Meter, Villisca, Wapello, Washington, Webster City, West Burlington, West Harrison, West Monona, Westwood, and Woodbury Central.

6. The principal who is responsible for all school district audits and her position with our firm:

Person: Nancy Janssen, CPA; B.S. Iowa State University; CPA: 1985

Position: President

7. Quality controls are an essential part of our auditing services. Internal review procedures utilized by our firm include: Our 2024 school audit team as in the past will be composed of an experienced staff, all being supervised by our school audit manager. Our firm successfully completed a quality review March 2021.
8. Our firm will:
 - a) Compile, type and duplicate reports.

- b) Send discussion audit draft to the school district after field work is completed, for review by management.
- c) Review audit recommendations and district responses thereto with the Business Manager and/or Superintendent prior to issuing the audit report.
- d) Provide additional help or recommendations to the District when requested during the year.
- e) Strive to conduct the audit, when possible, at the district's convenience and in such a manner as to cause the least amount of disruption possible under the circumstances.
- f) Will provide copies of the audit report to the State Auditor's Office and the Department of Education as required.
- g) Present the audit report and a verbal explanation of the report to the Board if so requested, at an additional fee.

President:

Nancy L. Janssen, CPA

Education:

B.S. from Iowa State University

Continuing Education:

Attended the Governmental Roundtable and/or Iowa Governmental Audits course, attended various in-house presentations on Governmental issues and attended various other continuing education programs.

Experience:

She has experience working in various capacities from accountant to partner. She has significant experience with the following types of audits: School, Non-Profit and Commercial. She has been tax manager and has worked with several small business clients.

School Audit Experience:

She has completed thirty-seven school audit seasons. She is responsible for the final review of all workpapers and reports.

Independence:

Ms. Janssen does not have and has not had during any period covered by this audit any interest, direct or indirect, in your District or any of its board members or officials.

AGREEMENT BETWEEN
CLARINDA COMMUNITY SCHOOL DISTRICT
AND
NOLTE, CORNMAN & JOHNSON, P.C.

THIS AGREEMENT made and entered into this 8TH day of FEBRUARY, 2024, by and between CLARINDA COMMUNITY SCHOOL DISTRICT, hereinafter called School District and NOLTE, CORNMAN, & JOHNSON, P.C., hereinafter called "CPA".

WHEREAS, the CLARINDA COMMUNITY SCHOOL DISTRICT wishes to obtain the services of the CPA to perform the annual audit required by Section 11.6, Code of Iowa, for the three years ended June 30, 2026; and

WHEREAS, the CPA is equipped and staffed to assist in the above audit; and

WHEREAS, this agreement is in the public interest in fulfilling the requirements of Chapter 11 of the Code of Iowa.

NOW, THEREFORE, BE IT UNDERSTOOD AND AGREED:

1. That the CPA will:

- A. Provide auditors of various classifications and for the estimated hours as detailed in 2.A of this agreement.
- B. Begin work on the audit engagement as specifically agreed upon with the School District.
- C. Perform all work in accordance with generally accepted auditing standard, Chapter 11 of the Code of Iowa and applicable federal requirements.
- D. Immediately inform the School District, the Auditor of State and County Attorney if the audit discloses any irregularity in the collection or disbursement of public funds.
- E. Provide access to the working papers to any appropriate federal agencies for the period of time specified in relevant agreements entered into by the School District.
- F. Provide access to the working papers to the Auditor of State in accordance with Chapter 11 of the Code of Iowa.

2. Conditions of Payment:

- A. It is understood that the fees for the services set forth above shall be reimbursed at the following rates.

<u>Classification</u>	<u>Estimated Hours</u>	<u>Hourly Rate</u>
<u>Junior</u>	<u>100</u>	<u>70</u>
<u>In-charge</u>	<u>85</u>	<u>85</u>
<u>Audit Manager</u>	<u>30</u>	<u>100</u>
<u>Partner</u>	<u>15</u>	<u>125</u>
<u>Secretarial</u>	<u>Est. Cost</u>	<u>1000</u>

- B. The CPA shall present an invoice for services in the following manner: An invoice for 40% at the end of field work. An invoice for remainder at delivery of Audit Reports.
- C. Payment shall be made within 30 days of receipt of invoice.
- D. The total reimbursement shall not be for more than \$20,000 for the year ended June 30, 2024, and \$22,000 for the year ended June 30, 2025, and \$24,000 for the year ended June 30, 2026, except as specially agreed by the School District and the CPA.
- E. An additional fee will be charged at \$150 per hour for assistance beyond the course of normal audit fieldwork.

3. Termination of Agreement:

- A. This Agreement may be terminated by either party at any time, for cause, upon five business days written notice to the other party.
- B. The CPA shall be paid for all work satisfactorily performed to the date of termination.

IN WITNESS THEREOF, CLARINDA COMMUNITY SCHOOL DISTRICT AND CPA have executed this AGREEMENT as of the date indicated below.

CPA

Nolte, Cornman & Johnson
NOLTE, CORNMAN & JOHNSON, P.C.

Date 2/8/24

CLARINDA CSD

By _____
BOARD PRESIDENT

Date _____

NOLTE, CORNMAN & JOHNSON P.C.

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(a professional corporation)

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Responses to Clarinda Community School District Audit Fee Proposal.

1. Base Proposal:

Maximum fee for auditing the financial records of the Clarinda Community School District for the fiscal year ending June 30, 2024.

A. Amount \$20,000

B. Additional help that may be requested during the school year at \$150 per hour.

2. Future Proposals:

Maximum fee for auditing the financial records of the Clarinda Community School District for the fiscal year ending June 30, 2025.

A. Amount \$22,000

B. Additional help that may be requested during the school year at \$150 per hour.

Maximum fee for auditing the financial records of the Clarinda Community School District for the fiscal year ending June 30, 2026.

A. Amount \$24,000

B. Additional help that may be requested during the school year at \$150 per hour.

Nolte Cornman & Johnson PC
2/8/24

Nolte, Cornman & Johnson, P.C.
115 North 3rd Avenue West
Newton, IA 50208
641-792-1910

Authorized Signature

Date