



MADDOX & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

Audit Proposal for

Southgate Independent Board of Education
6 William F Blatt Street
Southgate, KY 41071



SUBMITTED BY:

Maddox & Associates CPAs, Inc.
Certified Public Accountants
1407 Alexandria Pike
Fort Thomas, KY 41075

Phone: (513) 481-7727

Fax: (513) 481-7785

Email: pmaddox@maddox-cpa.com

Contact: Paul Maddox

Date: March 27, 2013

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MADDOX & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

March 27, 2013

Mr. Jim Palm, Superintendent
Southgate Independent Board of Education
6 William F Blatt Street
Southgate, KY 41071

Dear Mr. Palm:

We are pleased to provide to you our proposal for auditing services for the Southgate Independent Board of Education as addressed in your Request for Proposal.

We believe the size of our firm and our industry experience make us uniquely qualified to provide audit services to the Southgate Independent Board of Education.

Thank you for your consideration. We look forward to the opportunity to work with you.

Respectfully,

Maddox & Associates CPAs, Inc.

Paul Maddox, CPA

PROPOSAL FORM

AUDITOR
FOR THE FINANCIAL ACCOUNTS OF THE DISTRICT

TO: James R. Palm
Treasurer
Southgate Independent Board of Education
6 William F. Blatt St.
Southgate, KY 41071

CERTIFICATION OF COMPLIANCE WITH SPECIFICATIONS

In compliance with the REQUEST FOR PROPOSALS, and subject to all the conditions thereof, the undersigned hereby certifies that all items and/or services included in the Proposal shall be in compliance with all requirements and technical specifications included in this request for proposals, except as noted below:

EXCEPTIONS:

NAME OF COMPANY Maddox & Associates CPAs, Inc.

ADDRESS 1407 Alexandria Pike

Fort Thomas, KY ZIP CODE 41075

BY  DATE March 27, 2013
(SIGNATURE)

PLEASE TYPE NAME Paul Maddox

OFFICIAL TITLE President

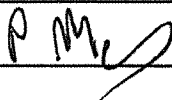
TELEPHONE NUMBER 859-441-2953 FAX NUMBER 859-441-3149

E-MAIL CONTACT ADDRESS pmaddox@maddox-cpa.com

**PROPOSAL FORM
REQUIREMENTS**

1. Audits shall be conducted in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; the provisions of Office Management and Budget Circular No. A-133, Audits of States, Local Governments, and Non-Profit Organizations; Appendix I to the Independent Auditor's Contract - General Audit Requirements; Appendix II to the Independent Auditor's Contract - State Audit Requirements; and Appendix III to the Independent Auditor's Contract – Electronic Submission.
2. Unlike some years in the past, the above standards require that the Board's audits be unqualified because the Board has been reporting according to GASB 34 requirements since the fiscal year ending June 30, 2003.
3. Two (2) paper copies of the audit report, with the auditor's signature, shall be submitted to the Kentucky State Department of Education Office. Twelve (12) paper copies shall be submitted to the Southgate Independent Board of Education.
4. One (1) copy of the audit report, along with the Data Collection Form, shall be submitted by the auditor on behalf of the Board, directly to the Single Audit Clearinghouse, as prescribed in OMB Circular No. A-133.
5. Audit reports, as prescribed above, are due to the Division of Audit & Transportation Services, Kentucky State Department of Education by close of business on October 31, 2013. Requests for an extension, fully describing the reasons for the request, must reach that office by October 16, 2013.
6. Auditor must be willing and able to execute the standard Independent Auditor's Contract as shown in the attached Financial Audit Contract Information, as prepared by the Kentucky Department of Education.
7. Submit documentation indicating experience of all staff to be assigned to the audit.
8. Include dates and results of latest peer review.
9. Interviews may be required of those auditors submitting proposals in order to further evaluate the proposals received. If you are going to submit a proposal, please call as soon as possible to set up a time for an interview, which may be scheduled before or shortly after the deadline for proposals.

NAME OF COMPANY Maddox & Associates CPAs, Inc.

AUTHORIZED SIGNATURE 

**PROPOSAL FORM
CONFLICT OF INTEREST**

It shall be a breach of ethical standards for any employee with procurement authority to participate directly in any proceeding or application; request for ruling or other determination; claim or controversy; or other particular matter pertaining to any contract or subcontract, and any solicitation or proposal therefore, in which to his knowledge:

- a. He, or any member of his immediate family, has a financial interest herein: or
- b. a business or organization which he or any member of his immediate family has a financial interest as an officer, director, trustee, partner or employee, is a party; or
- c. any other person, business, or organization with whom he or any member of his immediate family is negotiating or had an arrangement concerning prospective employment is a party. Direct or indirect participation shall include, but not limited to, involvement through decision, approval, disapproval, recommendation, preparation of any part of a purchase request, influencing the content of an specification or purchase standard, rendering of advice, investigation, auditing or in any other advisory capacity.

It is a violation of Kentucky Law for any board member or employee, or a member of their immediate family, to have a pecuniary interest either directly or indirectly in an amount exceeding \$25.00 per year in any purchase of goods or services by the Board of Education or any school thereof. Violation of this provision subjects the board member or employee to forfeiture of their position and/or employment with the school system.

I, hereby, certify that no member of my immediate family is an employee or board member of the Southgate Independent Board of Education.



Signature

March 27, 2013

Date

References: KRS 156.480, OAG 80-32, Model Procurement Code 45A.455

PROPOSAL FORM
AUDITOR
REFERENCES

LIST THREE (3) REFERENCES (Preferably School Districts):

1. Company City of Falmouth

Contact Ramona Williams

Address 230 Main Street, Falmouth, KY 41040

Phone Number 859-654-6937

2. Company City of Union

Contact Kathy Porter

Address 1843 Mt. Zion Road, Union, KY 41091

Phone Number 859-384-7760

3. Company City of Williamstown

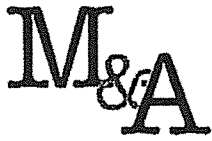
Contact Vivian Link

Address 400 North Main Street, Williamstown, KY 41097

Phone Number 859-824-3633

NAME OF COMPANY Maddox & Associates CPAs, Inc.

AUTHORIZED SIGNATURE 



MANNING & ASSOCIATES

Certified Public Accountants, LLC

John M. Manning, CPA

Sandra L. Comer, CPA

John C. Bensman, CPA

John M. Keller, CPA

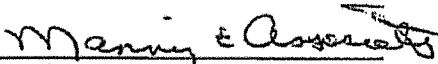
System Review Report

To The Owner
Maddox & Associates CPAs Inc
and the Peer Review Committee of the
Kentucky Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Maddox & Associates CPAs Inc, Certified Public Accountants (the firm) in effect for the year ended June 30, 2010. 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 on 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*.


In our opinion, the system of quality control for the accounting and auditing practice of Maddox & Associates CPAs Inc, Certified Public Accountants, in effect for the year ended June 30, 2010, 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*. Maddox & Associates CPAs Inc, Certified Public Accountants, has received a peer review rating of *pass*.


Manning & Associates CPAs, LLC
Dayton, Ohio

January 14, 2011

Dayton | 6106 N. Dixie Drive | P.O. Box 13449 | Dayton, Ohio 45413
(937) 898 - 3167 | Fax (937) 898 - 9202 | Email: dayton@manningcpallc.com

Sidney | 500 Folkerth Avenue | Sidney, Ohio 45385
(937) 492 - 0388 | Fax (937) 492 - 3282 | Email: sidney@manningcpallc.com

The 
Never Underestimate
The Value

www.manningcpallc.com



Firm Overview

Maddox & Associates, CPAs, Inc. is a regional public accounting firm serving clients in Ohio, Kentucky, and Indiana. Our client base includes local governments, special taxing, and nonprofit organizations including several schools. Our clients range in size from large cities with \$48,000,000 in net assets to small nonprofit organizations with less than \$100,000 in net assets. Paul Maddox is the engagement partner on all audits performed by Maddox & Associates and under this proposal will lead the engagement fieldwork at the offices of the Southgate Independent Board of Education. Our team consists of 3 CPAs, 3 degreed professional staff and 3 support staff. We pride ourselves on providing outstanding service to our clients through our dedication to professionalism, responsiveness, and quality. By combining our expertise, experience, and the energy of our staff, each client receives close personal and professional attention. We make sure that every client is served by the expertise of our whole firm.

Focus on Government Audits

The only types of audits we perform are of local governments and nonprofit organizations; it is our specialty. Our focus on these areas enables us to provide valuable insight into assessing and testing the variety of functions inherent to school district and local government operations and reporting. With 60 years of combined experience, our CPAs are well versed in governmental reporting requirements and ensure that our audit team will not be learning on your job. We will be able to offer suggestions and comments to improve the financial reporting process immediately. We design our audits to ensure the organization's system of internal controls governing financial reporting and material compliance issues are thoroughly assessed and all applicable recommendations are made to management.

Industry Experience

A sample listing of our audit clients is listed below:

Client	Type
City of Falmouth	Local Government A-133
City of Union	Local Government
City of Williamstown	Local Government A-133
City of Owenton	Local Government
City of Butler	Local Government
City of Mt. Olivet	Local Government
City of Springdale	Local Government A-133
Independence Fire District	Local Government
Lower Price Hill Community School	Nonprofit Organization
Mars Hill Academy	Nonprofit Organization
The New School	Nonprofit Organization

Staffing Commitment

Our audit service team is dedicated to and specializes in local government auditing. The audit team is led by Paul Maddox, CPA. With over 20 years of audit and industry experience, Mr. Maddox will design and implement an audit that is both effective and efficient. All fieldwork for the Southgate Independent Board of Education will be performed by Mr. Maddox and another staff member. Our firm has had no turnover for the past three years.

Communication

Maddox & Associates CPAs, Inc. is committed to open communication with management and the governing body. We will meet with management and personnel of the client at the start of the audit, as needed during the audit, and will conduct an exit interview at the end of the audit. Management and the governing body will be notified if any irregularities required to be reported are discovered.

Governmental Audit Quality Center Member



Governmental Audit Quality Center Member

We are a member of the AICPA Governmental Audit Quality Center. The Governmental Audit Quality Center is a firm-based voluntary membership center for firms that perform governmental audits, including all audits and attestation engagements performed under Government Auditing Standards and OMB Circular A-133 of federal, state, or local governments; not-for-profit organizations (NPO); and certain for-profit organizations that receive federal assistance. These audits are sometimes referred collectively as “governmental audits.”

The AICPA established the Center to help CPAs perform quality audits by providing resources and guidance to help them navigate the increased complexity of the federal rules and regulations underlying governmental auditing.

As a member of the Governmental Audit Quality Center, our CPA firm has made a commitment to adhere to Center membership requirements that are designed to introduce additional quality control features to our practice.

As a Center member, we receive comprehensive resources to assist us in performing governmental audits. We receive up-to-date information on a variety of technical, legislative, and regulatory subjects that we then apply to your governmental audit to help ensure that you are in compliance with the appropriate standards and changes in regulation. These resources help us respond quickly to new standards and requirements to ensure the efficiency of your audit engagement.

In addition, the Center provides us with an opportunity to network and exchange information with others within the governmental auditing community via an Online Member Discussion Forum, conferences, teleconferences, and Webcasts so that we can continue to learn and enhance our approach to our governmental audit engagements. We can then leverage these practices we learn in our audit methodologies to help perform the highest quality audits possible.