

April 13, 2023

Kelsey Wright  
Director of Finance  
Bellevue Independent School District  
Bellevue, Kentucky

In accordance with your request, please accept this letter as our formal proposal to provide auditing services to the Bellevue Independent School District for the year ending June 30, 2023 in accordance with *Government Auditing Standards* and the audit requirements prescribed by the Kentucky State Committee for School District Audits in the *Auditor Responsibilities and State Compliance Requirements* sections contained in the Kentucky Public School Districts' Audit Contract and Requirements. We have included the following in our proposal:

- A copy of our most recent peer review report for your review.
- Names, addresses and contact information for three school districts whose audit we performed as of June 30, 2022
- The number of school district audits we performed for 2022, 2021 and 2020
- An affirmation of the firm's qualifications and a statement about the manner in which it meets the requirements.
- Proposed audit fees for the year ending June 30, 2023.

We further affirm that:

- We are a properly licensed CPA firm in the State of Kentucky
- That all persons assigned to conduct the audit of the Bellevue Independent School District meet the independence requirement of the AICPA and KRS 156.480
- That all individuals assigned to the engagement meet the continuing educational requirements of the Yellow Book and that the firm is in compliance with all applicable quality review (peer review) standards
- The Firm has not been reprimanded for substandard audit work by any licensing authority and as demonstrated by the results of our most recent peer review, the report on which accompanies this proposal

Feel free to contact me if you have any questions.

Sincerely,

KELLEY GALLOWAY SMITH GOOLSBY, PSC



K. Anthony Workman, CPA, CGMA, CITP  
Audit Director



## **REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL**

To the Shareholders of Kelley Galloway Smith Goolsby, PSC  
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Kelley Galloway Smith Goolsby, PSC. (the firm) in effect for the year ended April 30, 2020. 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 (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### **Firm's Responsibility**

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. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### **Peer Reviewer's Responsibility**

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.

### **Required Selections and Considerations**

Engagements selected for review included engagements performed under Government Auditing Standards, including compliance audits under the Single Audit Act and audits of employee benefit plans.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

## Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Kelley Galloway Smith Goolsby, PSC in effect for the year ended April 30, 2020, 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. Kelley Galloway Smith Goolsby, PSC. has received a peer review rating of pass.

*Smith Elliott Kearns & Company, LLC*

Hagerstown, Maryland  
October 19, 2020



November 18, 2020

Phillip Layne  
Kelley Galloway Smith Goolsby, PSC  
P.O. BOX 990  
Ashland, KY 41105-0990

Dear Phillip Layne:

It is my pleasure to notify you that on November 18, 2020, the National Peer Review Committee accepted the report on the most recent System Review of your firm. The due date for your next review is October 31, 2023. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink, reading "Michael Fawley", with a stylized, cursive script.

Michael Fawley  
Chair, National PRC  
+1.919.402.4502

cc: Michael Manspeaker

Firm Number: 900010036936

Review Number: 577673

**Relevant Audited Entities as References:**

**Audited Organizations Name:** Rowan County School District  
**Contact Person:** Glen Teager GLEN.TEAGER@ROWAN.KYSCHOOLS.US  
**Address:** 551 Viking Drive  
Morehead, KY40351  
**Phone Number:** 606-784-8929

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**Audited Organizations Name:** Raceland-Worthington Independent School District  
**Contact Person:** Dustin Stephenson DUSTIN.STEPHENSON@RACELAND.KYSCHOOLS.US  
**Address:** 600 Ram Blvd  
Raceland, KY 41169  
**Phone Number:** 606-836-2514

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**Audited Organizations Name:** Boyd County School District  
**Contact Person:** Scott Burchett SCOTT.BURCHETT@BOYD.KYSCHOOLS.US  
**Address:** 1104 Bob McCullough Drive  
Ashland, KY 41102  
**Phone Number:** 606-928-4141

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**Number of Kentucky School District Audits Performed for years** 10  
**Ending June 30, 2020:** \_\_\_\_\_  
Number determined to be "Technically Deficient" 0  
Number determined to be "Unacceptable" 0

**Number of Kentucky School District Audits Performed for years** 9  
**Ending June 30, 2021:** \_\_\_\_\_  
Number determined to be "Technically Deficient" 0  
Number determined to be "Unacceptable" 0

**Number of Kentucky School District Audits Performed for years** 9  
**Ending June 30, 2022:** \_\_\_\_\_  
Number determined to be "Technically Deficient" 0  
Number determined to be "Unacceptable" 0

## ACKNOWLEDGEMENT OF GENERAL AND SPECIAL CONDITIONS

Reference Number: **AUDIT23**

*I have read and agree to all General Conditions, Special Conditions, and the Requirements for Local School District Audits, unless detailed below.*

### Exceptions:


Firm Name Kelley Galloway Smith Goolsby, PSC

Address 1200 Corporate Court

Ashland, KY 41102

Telephone 606-329-1811 Fax 606-329-8756

Email aworkman@kgsgcpa.com

Authorized Signature 

Name (printed) K. Anthony Workman Date 4/13/23

## AUDIT COST

The accounting firm of Kelley Galloway Smith Goolsby, PSC, submits the following proposed fee for the audits of the following fiscal years:

Fiscal Year Ending June 30, 2023 -- Audit Cost not to exceed \$ 19,000.00

By signing below, it is understood that the fee proposed above represents the maximum payment that will be due from Morgan County Board of Education in the event our proposal is accepted. Travel expenses and other incidental costs have been factored into this proposed audit fee.

Name of Company: Kelley Galloway Smith Goolsby, PSC

Authorized Signature: 

Printed Name: K. Anthony Workman Date: 4/13/23