

BOURBON COUNTY BOARD OF EDUCATION
Audit Proposal for the year ending June 30, 2026

Technical Proposal

Submitted by:

Summers, McCrary & Sparks, PSC

110 E LOWRY LN

Lexington, Kentucky 40503

(859) 264-8785

Contact Persons:

Ryan R. Laski, CPA

PROPOSAL FOR PERFORMING THE ANNUAL AUDIT FOR
BOURBONG COUNTY BOARD OF EDUCATION

FOR THE YEAR ENDING JUNE 30, 2026

Table of Contents

	<u>Page</u>
Cover Letter	1-2
Qualifications and Experience of the Firm	
List of recently completed public entity audit	3
Quality Control and Continuing Education	3
Project Team and Qualifications	
Profile of the Firm	4
Audit Staff	4-5
Audit Approach	6
Audit Approach	6
Peer Review Report	7-8
Acknowledgement of Audit Requirements	9-10
Audit Quote	11-12

SUMMERS, MCCRARY & SPARKS, P.S.C.
CERTIFIED PUBLIC ACCOUNTANTS

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LAURENCE T. SUMMERS
1961-1992
STUART K. McCRARY, JR., CPA
1982-2022

May 1, 2026

Michael Swearingen
Bourbon County Board of Education
3343 Lexington Road
Paris, KY 40361

Dear Mr. Swearingen:

We are pleased to have the opportunity of submitting a proposal for the auditing services of the Bourbon County Board of Education for the year ending June 30, 2026. If performed by our firm, the audit shall be conducted in accordance with generally accepted accounting principles, generally accepted auditing standards, Governmental Auditing Standards, Kentucky Department of Education's State Compliance Requirements and the Single Audit Act and the provisions of the Uniform Guidance.

We wish to point out that our firm is a member of the Private Companies Practice Section (PCPS) and the Government Audit Quality Center of the American Institute of Certified Public Accountants. Membership in these organizations are voluntary and member firms are required to meet and maintain rigorous quality and education requirements in addition to peer review every three years. We are members of the Kentucky Society of CPA's and The American Institute of CPA's. All of our staff working on this engagement has satisfied the continuing professional education requirements pursuant to the Governmental Auditing Standards as a means to provide quality control over audit engagements.

The Governmental Auditing Standards, which you are required to follow, requires that your auditor have a Peer Review and that this Peer Review letter be given to you before they are eligible to perform your audit. We have enclosed our prior two letters with this proposal to demonstrate our compliance with this requirement.

We would also like to emphasize that our firm is available to assist Bourbon County Board of Education with any questions relating to accounting standards or Redbook requirements which may arise throughout the year.

We have included with this proposal the following required documents per your RFP instruction: Audit Firm Credentials, References, Acknowledgement of Audit Requirements and Audit Quote.

Should we receive the engagements, we would begin our field work in accordance to the audit milestones listed in the RFP packet. This would facilitate submission of the audit to KDE by or before November 15th.

We look forward to your response.

Sincerely,

A handwritten signature in black ink, appearing to read "Ryan R. Laski, CPA". The signature is written in a cursive, slightly slanted style.

Ryan R. Laski, CPA
Summers, McCrary & Sparks, PSC

Qualifications and Experience of the Firm

List of most recently completed school boards:

Montgomery County Board of Education 640 Woodford Drive, Mt Sterling, KY 40353	Angela Rhodes, Finance Officer #859-497-8760	June 30, 2025*
Danville Independent School District 115 E. Lexington Ave, Danville, KY 40422	Nicolas Senak, Finance Officer #859-238-1300	June 30, 2025*
Menifee County Board of Education 202 Back Street, Frenchburg, KY 40322	Lorri Bartley, Finance Officer #606-768-8015	June 30, 2025*
Bardstown Independent School District 308 N. Fifth Street, Bardstown, KY 40004	Tracey Rogers, Finance Officer #502-331-8863	June 30, 2025*
Powell County Board of Education 691 Breckinridge Street, Stanton, KY 40380	Alicia Frazier, Finance Officer #606-663-3300	June 30, 2025*
Jessamine County Board of Education 871 Wilmore Rd, Nicholasville, KY 40356	Jason U'Wren, Finance Officer #859-885-4179	June 30, 2025*
Woodford County Board of Education 330 Pisgah Pike, Versailles, KY 40383	Shane Smith, Finance Officer #859-879-4600	June 30, 2025
Harrison County Board of Education 308 Webster Avenue, Cynthiana, KY 41031	Mary Grubb, Finance Officer #859-234-7110	June 30, 2025*
Berea Independent School District 3 Pirate Parkway, Berea, KY 40403	Nathan Sweet, Finance Officer #859-986-8446	June 30, 2024

* Expected to perform June 30, 2026 audit

Quality Control and Continuing Education

Summers, McCrary & Sparks, PSC has been a member of the Private Companies Practice Section of the American Institute of Certified Public Accountants since 1983. A member in this organization is required to have a Peer Review every three years covering audits, reviews and compilations that were issued. Summers, McCrary & Sparks, PSC is a member in good standing having had eight peer reviews with unqualified opinion, the last of which was issued in 2023. We are scheduled to have a peer review in 2026. (A copy of our peer review letter is on page 7-8).

Our firm exceeds the minimum continuing professional education requirements established by the Comptroller General of the United States for independent public accountants performing audits of state, county, city and other governmental bodies. Further, our annual continuing professional education record exceeds the minimum standards promulgated by the Kentucky State Board of Accountancy, the Kentucky Society of CPA's and the American Institute of CPA's.

Firm History

Profile of the Firm

Summers, McCrary & Sparks, PSC is a 60-year-old Certified Public Accounting firm with offices in Lexington and Winchester, Kentucky. The Firm is a member of the AICPA Private Company Practice Section and Governmental Audit Quality Control organizations. The firm conducts 35 to 40 audits each year; of which, approximately 15 follow the guidelines of Governmental Auditing Standards and/or the Uniform Guidance. The Firm has seven (7) CPAs and three (3) degreed accountants.

The firm and firm personnel have been performing audits since 1966. A detail of our experience is outlined on pages 4-6 of this proposal. During this time period, the firm has never been reprimanded for substandard work.

The firm and all of the firm's CPA's are licensed in the State of Kentucky with the Kentucky State Board of Accountancy. All of the firm's staff has completed the required Continuing Professional Education requirements of the Governmental Auditing Standards and the State Board of Accountancy.

The Firm has never had any disciplinary action taken by the Kentucky State Board of Accountancy in its 60-year history

Audit Staff

Managing Partner

Ryan Laski, CPA is a 2004 graduate of the University of Kentucky with a Bachelor of Science in accounting. In the past two years, he has 82 hours of continuing professional education in auditing and accounting including 41 hours in governmental auditing and accounting. Ryan works on most of the Firm's governmental and non-profit audits following Government Auditing Standards and Uniform Guidance. Ryan has been a member of the Kentucky Department of Education's Redbook Revision Taskforce.

Audit Partner

Thomas S. (Tom) Sparks, CPA, is a 1982 graduate of the University of Kentucky with a Bachelor of Science in Accounting. He was certified as a public accountant in 1987. In the past two years, he has completed 93 hours of continuing education in auditing and accounting including 31 hours of governmental accounting and auditing. Tom has conducted and supervised numerous audits of governmental units over the past 41 years. He is a past member the Kentucky Society of Certified Public Accountant's Board and the Governmental Accounting and Auditing Committee.

Partner

Emily Jackson, CPA is a 2014 graduate of Eastern Kentucky University, with a Bachelor of Business Administration, Accounting Major. Emily started with the firm in January of 2015 and has worked on most of the firms governmental and not for profit audits. She is very well versed in Munis. Emily has completed 80 hours of continuing education in auditing and accounting, including 30 hours governmental auditing and accounting. Emily has a significant understanding of how MUNIS operates.

Justin Nichols, CPA is a 2006 graduate of Morehead State University with a Bachelor in Business Administration, Accounting Major and a graduated with his Masters of Science in Accounting from the University of Kentucky in 2007. Justin started with the firm in December of 2016. Justin has completed 99 hours of continuing education over the past two years. Justin has over fifteen years of experience in attestation engagements and has assisted with governmental auditing engagements.

Staff

Jessie Sanderfur, CPA is a 2019 graduate of Asbury University with a Bachelor of Science in Accounting. Jessie started with the firm in 2018 as an intern and was hired full time upon her graduation. During the past two year he has completed 81 hours of continuing education in accounting and auditing and 36 governmental auditing and accounting.

Maggie Hughes is a 2023 graduate of Asbury University with a Bachelor of Science in Accounting. Maggie started with the firm upon her graduation. During the past two years she has completed 80 hours of continuing education in auditing and accounting, including 38 hours governmental auditing and accounting.

All of the CPA's who work on governmental audits have obtained the required Government Auditing Standard's Continuing Professional Education (CPE) requirement of 24 hours of training in Governmental Auditing. The non CPA staff who work on governmental audits have also completed the CPE requirements. The Government Auditing Standards require that entry level staff with less than two years of experience with the firm have a prorata number of hours. Auditors of government units are required to follow the Government Auditing Standards and thus, they must meet the CPE requirements.

Over the past year our staff has partaken in multiple CPE conferences and classes that focused on the following relevant auditing and accounting issues:

- Yellow Book Overview
- Testing Compliance and Internal Control over Compliance
- Major Program Determination
- GASB 68 & 75
- GASB Update
- Auditing Laws and Regulations
- Writing Report Findings
- Trends and Current Focus of the Auditor of Public Accounts
- Kentucky Model Procurement
- Fraud
- Kentucky Department of Education Finance Officer/Auditor Workshop

Audit Partner

Ryan Laski, CPA will be the Partner in charge of the audit. Emily Jackson, CPA will be the Manager of the audit.

Audit Approach

Scope of Engagement

Our understanding of the services to be performed for the Bourbon County Board of Education consists of auditing the June 30, 2026 financial statements in accordance with generally accepted auditing standards, Governmental Auditing Standards, and when applicable, the provisions of the Uniform Guidance.

Our approach to the audit would begin with contacting client management and personnel to ascertain information necessary to plan the audit. A time would also be arranged for the audit team to start preliminary audit procedures as soon as possible.

During the initial stages of the audit, we will develop an audit strategy. We will obtain an understanding of the Bourbon County Board of Education's internal control structure by inquiry, inspection and observation of Bourbon County Board of Education's personnel and records. The understanding we obtained of the Bourbon County Board of Education's internal controls will be used in assessing control risk for purposes of testing controls, account balances and transactions. We will consider the use of a data processing audit specialists at that time, but in most cases, they are not necessary.

Materiality will be established at the fund level. Materiality and the auditor's professional judgment will be used in determining the extent and amount of substantive testing which will be performed. Sampling will be used for the extent of substantive testing, for each of the audit programs. A follow up date will be set to complete the audit.

The audit team is as follows: Ryan Laski, CPA, Tom Sparks, CPA, Emily Jackson, CPA, Jessie Sandefur, CPA and Maggie Hughes

Client personnel will be used whenever possible to gather receipts, vouchers and other information.

Upon completion of field work, we will prepare our report, and present a preliminary draft to the Chief Financial Officer for review. An exit conference will then be set up with the Superintendent and Chief Financial Officer to review the draft. We will provide ten (10) copies of the bound audit report will be sent to the Director of Finance. The audit will be presented to the Board of Education at a date to be determined. The audit will be submitted to KDE by or before November 15th.

Our philosophy is to provide efficient quality audit services, while applying the applicable governing professional auditing standards, making the use of our staff expertise and Bourbon County Board of Education's personnel to complete the audit in a cost effective manner. Our policy on subsequent engagement is to try to use the same staff but to rotate the assigned audit sections. We believe this system provides a fresh set of perspective on the audit procedures while being efficient in the District's operations.

REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL

Summers, McCrary & Sparks, P.S.C.
Lexington, Kentucky
and the Peer Review Alliance Report Acceptance Committee

We have reviewed the system of quality control for the accounting and auditing practice of Summers, McCrary & Sparks, P.S.C. (the firm) in effect for the year ended May 31, 2023. 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. The summary also includes an explanation of how engagements identified as not performed or reported on 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 and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of 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 on in conformity with the requirements of applicable 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 and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included an engagement performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act.

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 Summers, McCrary & Sparks, P.S.C. in effect for the year ended May 31, 2023 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*. Summers, McCrary & Sparks, P.S.C. has received a peer review rating of *pass*.

Mitchell Emert + Hill

November 9, 2023

Request for Quote for School District Audit Services

Bourbon County Board of Education
3343 Lexington Road
Paris, Kentucky 40361

Quote Invitation

Audit Requirements

1. The quote is for the selection of purchased services to perform an audit of the financial records of the Bourbon County Board of Education (Board). A Certified Public Accountant (CPA) or a Public Accountant registered with the State Board of Accountancy, selected from the *Register of Kentucky Accountancy*, and approved by the State Committee for School District Audits (SCSDA) shall perform the audit. The audit is to be conducted according to standards established by the SCSDA.
2. The audit shall cover **ALL** accounts of the board of education including activity funds at all schools and bank accounts in the name of the district finance corporation.
3. The audit shall cover the entire fiscal year ended June 30, 2026.
4. The audit 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 of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and the audit requirements prescribed by the Kentucky State Committee for School District Audits (SCSDA) in *Appendix I of the Independent Auditor's Contract - General Audit Requirements*, *Appendix II of the Independent Auditor's Contract - State Audit Requirements*, and *Appendix III of the Independent Auditor's Contract - Electronic Submission*.
5. The audit report shall be submitted electronically in any of the following formats; Text documents shall be submitted in Microsoft Word and /or Adobe Acrobat (PDF) format, spreadsheet documents are to be submitted in Microsoft Excel, and /or Adobe Acrobat (PDF) format along with one (1) paper copy, with the Auditor's signature, to the Division of School Finance, KDE, no later than November 15, 2026. The audit report will not be considered filed timely unless the Division of School Finance has received the electronic copy and the hard copy.
6. One (1) copy of the audit report, along with the Data Collection Form, shall be submitted by the District, directly to the Single Audit Clearinghouse, as prescribed in OMB Circular No. A-133.
7. The provider of purchased audit services (Accountant) shall render an opinion on the financial statements for fiscal year 2025-2026. The contract may be renewed annually for two additional one-year audit periods.
8. Each quote shall include as references the names of three Kentucky school districts for which the Accountant has performed audits within the last four (4) years.
9. Each quote shall certify the number of individuals that will be committed to this audit. There are at least seven sites within the county at which financial records are kept and the

Accountant will be expected to audit on-site at each location unless other arrangements are agreed upon by both parties.

10. Accountant shall address the audit report and written comments to the Bourbon County Board of Education and to the State Committee for School District Audits (SCSDA).
11. Audit reports are due to the Division of School Finance, Kentucky Department of Education, by close of business on **November 15, 2026**. Requests for an extension, fully describing the reasons for the request, must reach the Division School of Finance, Kentucky Department of Education by October 1, 2026.
12. Contract will be valid for 2 years with the option to extend for up to 2 additional years with both parties agreeing to terms.
13. Other terms of service are addressed in the **INDEPENDENT AUDITOR'S CONTRACT and Appendix I, II and III**.

NAME OF COMPANY: Summers, McCrary & Sparks, PSC

AUTHORIZED SIGNATURE: *DA R J*, CPA Partner

Quote for School District Audit Services

Bourbon County Board of Education
3343 Lexington Road
Paris, Kentucky 40361

Quote

Page 1 of 2

Accountant: Summers, McCrary & Sparks, PSC Phone#: 859-264-8785
 Address: 110 E. Lowry Ln. Fax#: 859-264-1736
 Address: Lexington, KY 40503 E-mail: RLASKI@SMSCPA.COM

The quote for the Bourbon County Board of Education audit for FY 2025-2026 is as follows:

Fund 1 (General Fund)	\$	<u>8,500</u>
Fund 2 (Special Revenue)State Grants Only.....	\$	<u>2,000</u>
... Federal & Local Grants.....	\$	<u>4,900</u>
Fund 2 Total		<u>6,900</u>
Fund 21 (District Activity)		<u>775</u>
Fund 310 (Capital Outlay)		<u>900</u>
Fund 320 (Building Fund)		<u>900</u>
Fund 360 (Construction Fund)		<u>1,150</u>
Fund 51 (Food Service Fund)		<u>1,275</u>
High School Activity Funds		<u>1,600</u>
Elementary/ Middle School Activity Funds		<u>2,250</u>
Other Funds		<u>750</u>
Total Quote for Audit.....	\$	<u>25,000</u>

Accountant: Summers, McCrary & Sparks, PSC Phone #: 859-264-8785

References of three Kentucky school districts for which the Accountant has performed audits in the last four (4) years:

- 1) Name: Menifee County Board of Education
 Address: 400 Wynn Flat Rd
 Address: Frenchburg, KY 40322
 Telephone#: 606-768-8015 Contact person: Lorri Bartley

- 2) Name: Montgomery County Board of Education
 Address: 3400 Indian Mound Drive
 Address: Mount Sterling, KY 40353
 Telephone#: 859-497-8760 Contact person: Angela Rhodes

- 3) Name: Powell County Board of Education
 Address: 691 Breckinridge Street
 Address: Stanton, KY 40380
 Telephone#: 606-663-3300 Contact person: Alicia Frazier

Individuals to be committed to this audit:

	Number	Est. Hours
Audit Partner-Name: <u>Ryan Laski</u>	<u>1</u>	<u>100</u>
Senior Staff Accountant or Manager	<u>2</u>	<u>150</u>
Staff Accountant(s):	<u>2</u>	<u>140</u>

Authorized Signature:

Submitted May 1, _____ 2026 by: Ryan R. Laski, CPA

For (Accountant): Summers, McCrary & Sparks, PSC