



January 21, 2019

Proposal to provide professional auditing services to:

Nevada System of Higher Education

Cost Proposal – RFP #8524

Prepared by:

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WEALTH ADVISORY

OUTSOURCING

AUDIT, TAX, AND
CONSULTING

RFP #8524 - 1



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January 21, 2019

Mr. Fred Harvey, Purchasing Officer
BCN Purchasing
Nevada System of Higher Education
4300 S. Maryland Parkway
Las Vegas, NV 89119

Dear Mr. Harvey:

We are very excited for the opportunity to present our fee proposal for audit services for the Nevada System of Higher Education (the System). The enclosed proposal responds to your request for audit of financial statements and agreed upon procedures services for the fiscal years ending June 30, 2019 through June 30, 2021, with the option for two (2) subsequent fiscal years. We believe our proposal demonstrates our understanding of the University's needs and commitment to providing responsive, value-added services.

We have read and understand all the elements of the RFP #8524, including the Scope of Work and General Terms and Provisions.

Jean Bushong and David Robydek are your engagement principals and will serve as the System's primary contacts for this engagement. Furthermore, as principals of CLA, Jean and David are authorized to sign, bind, and commit the firm to the obligations contained in this proposal and the System's RFP. We are confident that our technical approach, insight, and resources will result in unparalleled client service. The proposal shall be valid for a period of ninety (90) days from the due date of the proposal.

Sincerely,

CliftonLarsonAllen LLP

A handwritten signature in blue ink that reads "Jean Bushong".

Jean Bushong, Principal

Jean.Bushong@CLAconnect.com
Direct 303-779-5710

A handwritten signature in blue ink that reads "David Robydek".

David Robydek, CPA

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Professional Fees

Total maximum price:

Our fees are based on the timely delivery of services provided, the experience of personnel assigned to the engagement, and our commitment to meeting your deadlines.

CLA understands the importance of providing our clients with value-added strategies. We propose to provide routine, proactive quarterly meetings — as part of our fee — that will allow us to review and discuss with you the impact of new accounting issues, as well as any other business issues you are facing and how they should be handled. This level and frequency of interaction will no doubt enable CLA to help you tackle challenges as they come up, and take full advantage of every opportunity that presents itself.

Professional Services by Fiscal Year	2019	2020	2021	Optional 2022	Optional 2023
All-inclusive maximum fee (total)	\$ 642,500	\$ 665,000	\$ 720,800	\$ 712,200	\$ 737,400
Financial statements:					
• Consolidated	365,800	378,700	391,900	405,600	419,800
• Single Audit (Uniform Guidance) *	103,200	106,700	143,100	114,300	118,300
• Integrated Clinical Services, Inc.	57,400	59,500	61,500	63,600	66,000
• UNLV Medicine	61,200	63,300	65,500	67,900	70,300
• NCAA Agreed-upon procedures (UNLV, UNR)	29,900	30,900	32,000	33,100	34,300
• Out-of-pocket expenses	25,000	25,900	26,800	27,700	28,700

*Single Audit fee includes the audit of the Student Financial Aid Cluster and two additional major programs (not including the Research and Development Cluster) for each fiscal year. The fee for fiscal year 2021 includes the Research and Development Cluster, which is the next year it will be a required major program. The fee for a major program (other than Student Financial Aid or Research and Development clusters) ranges from \$6,000 - \$12,000 depending on size and complexity.

Hourly Rates by Fiscal Year	2019	2020	2021	Optional 2022	Optional 2023
Principal	\$270	\$280	\$290	\$300	\$310
Senior Manager/Manager	\$195	\$200	\$210	\$215	\$225
Senior	\$125	\$130	\$135	\$140	\$145
Staff/Clerical	\$80	\$82	\$85	\$88	\$90



We have found over the years that our clients don't like fee surprises, neither do we. We commit to you, as we do all of our clients, that:

- We will be available for brief routine questions at no additional charge, a welcome investment in an on-going relationship.
- Any additional charges not discussed in this proposal will be mutually agreed upon up front.
- We will always be candid and fair in our fee discussions, and we will avoid surprises.

Utilizing Internal Audit

We noticed in reviewing the predecessor's engagement letter that the System's internal audit department provided external audit support, which reduced the amount of the external audit fee. It does not appear that the RFP required the proposer to incorporate internal audit support specifically into the fee proposal. However, CLA is experienced in utilizing internal audit and currently does so on several other University system external audit engagements. We prepared to do the same on your engagement if desired or required. The hours and rate quoted in the predecessor's engagement letter (200 hours, \$105/hour) appear reasonable, however we would need to discuss and come to an agreement regarding the hours and fees.

Fee considerations

The fee proposal is based on the following:

- The System's personnel will provide assistance periodically throughout the year and during the assurance fieldwork with regard to account analysis and provision of year-end account reconciliation work papers and schedules.
- The assurance reports will be delivered in accordance with the System's deadlines.
- Satisfactory completion of our firm's normal client acceptance procedures.
- Professional standards and regulations currently in effect. We reserve the right to modify your proposed fee if professional standards or regulations change for any engagement period.
- No significant changes in the operations of the System subsequent to the date of this proposal.

CLA will accept reimbursement for travel, lodging and subsistence at the prevailing GAS rates.

Rates for Additional Professional Services

The table below delineates our quoted hourly rates by class of professional personnel:

Level	Discounted Billing Rates for the System
Principals/Signing Directors	\$270
Managers/Directors	\$195
Seniors	\$125
Associates	\$80

We structure onsite fieldwork with only the essential time needed. We coordinate fieldwork and requests to allow for remote work to be done in advance of being onsite. This allows for the most efficient use of time while onsite



Ongoing consultation

We do not anticipate the System will receive additional billings related to the annual audit procedures, as we anticipate cooperation from staff and receipt of information for timely completion of your audit. It is also our policy not to bill you for routine telephone calls. Our quoted fee includes routine general consultation throughout the year, however, if you seek a written opinion, or if the issue requires us to perform research, we will bill you at our standard rates for these services. We will discuss these fees with you before we conduct our work.

We have a 24 – 48 hour response policy to return calls/emails from your supervisory committee, board, or management to provide effective and timely communication. CLA's personnel are always available to provide assistance by telephone without additional cost to you. If the person you need to talk to is not available at the time you call, we will contact him/her and have him/her get back to you. We have a number of qualified principals on our staff who can provide you with timely and competent assistance.

At CLA, it's more than just getting the job done.

