



STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
SHAD WHITE
STATE AUDITOR

June 6, 2023

Ms. Deneshia Haralson, Business Manager
Leake County School District
109 W. Main Street
Carthage, Mississippi 39051

Dear Ms. Haralson:

Enclosed for your files is an executed Contract for Professional Services between Leake County School District and McKenzie CPA, PLLC, for the performance of the services as set forth in the contract for each of the years ending June 30, 2023, June 30, 2024 and June 30, 2025. This contract has been reviewed and signed by a representative of the Office of the State Auditor pursuant to *Sections 7-7-211(e) and 37-9-18, Mississippi Code of 1972 (Ann.)*.

Please let us know if you have any questions or need any additional information.

Sincerely,

A handwritten signature in cursive script that reads "Leigh Taylor".

Leigh Taylor, CPA
Director, Quality Assurance

Enclosure

C: McKenzie CPA, PLLC
Mr. Barry McKenzie, CPA, Member, Owner

CONTRACT FOR PROFESSIONAL SERVICES

This agreement is entered into as of the 2nd day of May, 2023 by and among the Office of the State Auditor, the Leake County School District, hereinafter referred to as the "District," and the Certified Public Accounting Firm of McKenzie CPA, PLLC, hereinafter referred to as the "Firm." This contract is entered in pursuant to Section 37-9-18, Mississippi Code of 1972 (Ann.).

1. Scope of Services

The District and the Office of the State Auditor desire to engage the Firm to render the following professional audit services for the District for the applicable fiscal year(s) as referenced in paragraph 3 of this contract:

- a. Perform a financial audit for all funds of the District.
- b. Perform a compliance audit with applicable state and federal laws and regulations. Sections of the compliance audit program labeled as "Required" must be completed by the Firm regardless of materiality or impact to the Financial Statements.
- c. Perform items A. and B. above in conformity with professional standards, laws, rules, regulations and guidelines as contained in, but not limited to, the documents identified in paragraph 5 of the contract.

2. Authorized Representatives

The following Individuals have been approved to act as fully authorized representatives for this contract:

Office of the State Auditor

Name: Leigh Taylor, CPA

Title: Director, Quality Assurance

Address: P. O. Box 956, Jackson, MS 39205

Leake County School District

Name: Deneshia Haralson

Title: Business Manager

Address: 109 W. Main Street

Carthage, MS 39051

Leake County School District State Contract for Fiscal years 2023, 2024, and 2025.

Two-year contract (Option 2)

\$_ for the audit of the annual financial report for the fiscal year ending June 30, 20 (Year 1) and \$_ for the audit of the annual financial report for the fiscal year ending June 30, 20 (Year 2). The said fees are based upon _ hours at \$_ per hour for the fiscal year ending June 30, 20 (Year 1) and _ hours at \$_ per hour for the fiscal year ending June 30, 20 (Year 2).

Three-year contract (Option 3)

\$22,000 for the audit of the annual financial report for the fiscal year ending June 30, 2023 (Year 1), \$22,000 for the audit of the annual financial report for the fiscal year ending June 30, 2024 (Year 2), and \$22,000 for the audit of the annual financial report for the fiscal year ending June 30, 2025 (Year 3). The said fees are based upon: 220 hours at \$100 per hour for the fiscal year ending June 30, 2023 (Year 1), 220 hours at \$100 per hour for the fiscal year ending June 30, 2024 (Year 2), and 220 hours at \$100 per hour for the fiscal year ending June 30, 2025 (Year 3).

For the audit services as described and specified above, the Firm shall not receive as compensation an amount greater than the actual hours worked multiplied by the rate per hour, except as provided for in paragraph 21 of this contract. It is agreed that, in no event, the total compensation paid to the Firm will exceed the amount(s) specified in this paragraph.

5. **Compliance with Laws and Professional Standards**

The professional services will be performed in conformity with the following:

- a. Generally accepted auditing standards and the industry audit guide, *Audits of State and Local Governmental Units*, established by the American Institute of Certified Public Accountants.
- b. Statements of financial accounting standards as prescribed by the Financial Accounting Standards Board and the Governmental Accounting Standards Board.
- c. State legal compliance audit program and related forms provided by the Office of the State Auditor.
- d. Government Auditing Standards as required by the U.S. Government Accountability Office. (The Yellow Book)
- e. Specific grant compliance matters contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).
- f. Uniform Guidance, "Audits of States, Local Governments and Non-Profit Organizations," and other related Federal regulations.
- g. The Single Audit Act Amendments of 1996.
- h. Mississippi Code Annotated (1972) for compliance with applicable state laws.
- i. Financial Accounting Manual Mississippi Public Schools.

- c. One copy should be mailed to:

Director of Internal Audit
Mississippi Department of Education
Post Office Box 771
Jackson, MS 39205-0771

- d. One copy should be mailed to the District's levying authority or authorities.
- e. The Data Collection Form (Form SF-SAC) and one copy of the approved Single Audit reporting package, as required by Appendix X to Section 200 of Uniform Guidance, should be filed electronically with the Federal Audit Clearinghouse. Instructions for the filing may be accessed at <http://harvester.census.gov/fac/index.html>.
- f. The Firm shall provide 6 copies of the accepted audit report to the District.

9. Engagement Letter

The Firm's engagement letter(s), which contains the fee quote, shall be incorporated as a part of this contract.

10. Progress Reports

The Firm shall keep on file monthly progress reports, which detail the work completed during the month, and shall make these reports available to the District and/or the Office of the State Auditor for review, if requested.

11. Payment

The Firm will be entitled to one or more interim payments, which shall not exceed 75% of the contract amount. Invoices submitted for payment shall include: (a) reference to this contract; (b) the Firm's Tax Identification Number and; (c) any other details the District may reasonably request. The Firm shall submit a final invoice for all work performed in total. This invoice shall provide the number of hours worked by each employee. Upon completion of the audit services and acceptance by the Office of the State Auditor and the District, the final payment of the contract may be paid. The Firm will not be entitled to compensation from the District for the correction of any deficient work resulting from the review procedures by the Office of the State Auditor.

Reasonable and necessary travel expenses will be added to the fee noted. These travel expenses will include mileage and any necessary lodging for overnight travel deemed necessary.

12. Approval

The authorized representative of the Office of the State Auditor is empowered to accept, or reject the services furnished by the Firm in compliance with the provisions of this contract. No payment, including final payment, shall be construed as acceptance of defective or incomplete work, and the Firm shall remain responsible and liable for full performance.

13. Contract Expiration

The contract shall expire 120 days after the final services have been rendered.

Leake County School District State Contract for Fiscal years 2023, 2024, and 2025.

18. Termination of Contract

In the event the District and/or the Office of the State Auditor exercises its right to terminate this contract pursuant to paragraph 6 and/or paragraph 15 of this contract, the Firm shall bear all costs associated with the issuance of a new contract. However, prior to termination of this contract by the District, the District must provide written justification to the Office of the State Auditor documenting the reasons for requesting that the contract be terminated. The District must obtain written approval from the Office of the State Auditor prior to terminating the contract. Also, the Firm shall notify the District and the Office of the State Auditor of any potential conflict of interest resulting from service to other clients. If such conflict cannot be resolved to the District's satisfaction, the District reserves the right to terminate this contract with the written consent of the Office of the State Auditor.

19. Reportable Findings

The Firm shall report immediately to the District and the Office of the State Auditor any preliminary findings of possible fraud, misapplication, or misappropriation of funds.

20. Availability of Funds

It is expressly understood by the parties hereto that the obligation of the District to proceed under this agreement is conditional upon the appropriation of funds by the Mississippi State Legislature and receipt of state and/or federal funds. If funds are not appropriated for any fiscal year during the contract term, the District will promptly notify the Firm, and the contract will terminate at the end of the last fiscal year for which funds were appropriated. The District shall have the sole right to determine whether funds are available for the payments or performances due under this Contract.

21. Modification or Renegotiation

The District, the Office of the State Auditor, or the Firm, may request changes in the scope of services to be performed hereunder. Such changes, including any increase or decrease in the amount of the Firm's compensation, which are mutually agreed upon by the District and the Firm, shall be included in written amendments to this contract and subject to approval by the Office of the State Auditor.

22. Contractor Requirements

The Firm shall be construed, during the entire term of this contract, to be an independent contractor. Nothing in this contract is intended to nor shall be construed to create an employer-employee relationship, or a joint venture relationship.

The Firm represents that it is qualified to perform the duties to be performed under this contract and that it has, or will secure, if needed, at its own expense, applicable personnel who are qualified to perform the duties required under this contract. Such personnel shall not be deemed in any way, directly or indirectly, expressly or by implication, to be employees of the District.

Any person assigned by the firm to perform the services hereunder shall be the employee or a subcontractor of the Firm, who shall have the sole right to hire and discharge its employee or subcontractors.

25. Disputes and Arbitration

Any dispute concerning a question of fact arising under this contract shall be disposed of by good faith negotiation between duly authorized representatives of the District, the Office of the State Auditor, and the Firm. Such a resolution shall be reduced to writing and a copy thereof mailed or furnished to the Firm and shall be final and conclusive.

26. If a resolution cannot be reached, the Firm shall mail or furnish to the District and the Office of the State Auditor a written request for review. The Firm shall be afforded an opportunity to be heard and to offer evidence in support of its position on the issue in dispute and under review. The review will be handled under a three-person panel for arbitration, composed of the Director of the Financial and Compliance Audit Division, the Director of Technical Assistance, and the Director of the Contract Audit Review Section. The decision of the Arbitration Panel of the Office of the State Auditor on the review shall be final and conclusive, unless determined by a court of competent jurisdiction in Hinds County, State of Mississippi, to have been fraudulent, capricious, or so grossly erroneous as necessarily to imply bad faith, or not be supported by substantial evidence. Pending final decision of a dispute hereunder, the Firm shall proceed diligently with the performance of the duties and obligations of the contract.

27. Assignment

The Firm shall not assign or otherwise transfer the obligation incurred on its part pursuant to the terms of this contract without the prior written consent of the District. Any attempted assignment or transfer of its obligations without such consent shall be null and void. All obligations and duties of either party under this contract shall be binding on all successors in interest or assigns of such party.

28. Failure to Enforce

Failure of any party hereto, to insist upon strict compliance with any of the terms, covenants and conditions hereof shall not be deemed a waiver or relinquishment of any similar right or power hereunder at any subsequent time or of any other provision hereof, nor shall it be construed to be a modification of the terms of this contract.

29. Severability

If any term or provision of this contract is prohibited by the laws of the State of Mississippi or declared invalid or void by a court of competent jurisdiction, the remainder of this contract shall not be affected thereby and each term and provision of this contract shall be valid and enforceable to the fullest extent permitted by law.

30. Entire Agreement

This contract constitutes the entire agreement of the parties with respect to the subject matter contained herein and supersedes and replaces any and all prior negotiations, understandings, and agreements, written or oral, between the parties relating thereto.

31. Address Changes

The parties agree to promptly notify each other of any change of address.

37. Representation Regarding Gratuities

The Firm represents that it has not violated, is not violating, and promises that it will not violate the prohibition against gratuities set forth in Section 7-204 (Gratuities) of the “Mississippi Personal Service Contract Procurement Regulations.”

38. Certification of Independent Price Determination

The Firm certifies that the price submitted in response to the solicitation has been arrived at independently and without – for the purpose of restricting competition – any consultation, communication, or agreement with any other bidder or competitor relating to the price, the intention to submit a bid, or the methods or factors used to calculate the price bid.

39. Certification Regarding Debarment, Suspension, and Other Responsibility Matters – Primary Covered Transactions

The Firm certifies to the best of its knowledge and belief, that it and its principals:

- a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
- b. Have not within a three-year period preceding this contract; been convicted or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- c. Are not presently indicted or otherwise criminally or civilly charged by a government entity (Federal, State or local) with commission of any of the offenses enumerated in item b. of this certification; and
- d. Have not within a three-year period preceding this contract had one or more public transactions (Federal, State or local) terminated for cause or default.

Where the Firm is unable to certify to any of the statements in this certification, an explanation should be attached.

40. Federal, State and Local Tax Obligations

The Firm asserts and self-certifies that all Federal, State, and local tax obligations have been or will be satisfied prior to receiving recovery funds.

SCHOOL DISTRICT REPRESENTATIVES

LEAKE COUNTY SCHOOL DISTRICT _____

Title: Board President

[Signature]
(Signature)

Title: Superintendent

[Signature]
(Signature)

Date:

5/2/23

FIRM REPRESENTATIVE

CPA FIRM — McKenzie CPA, PLLC _____

Bamy McKenzie, CPA
(Signature)

Title: Owner / member

Date: 5/9/2023

OFFICE OF THE STATE AUDITOR

Signed: [Signature]

Witness: [Signature]

Title: Director, Quality Assurance

Date: 6/8/2023

NOTE: Paragraph 34 may be modified at the discretion of the District and the CPA Firm.

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