



Responses to Questions

Any preliminary performed and if so, when? How many team members?

No

How long was fieldwork and how many and levels worked on the engagement? Did timing of issuance meet your expectations?

Fieldwork lasted approximately 13 business days (August, 2024). The audit team included one manager, two senior associates, and a partner (who had limited direct interaction with our team). The timing of issuance met our expectations and aligned with agreed-upon deadlines.

RFP notes that “engagement start date 7/1/2025”, is this the beginning of the year-end audit fieldwork?

Year-end audit fieldwork is expected to begin on or around August 18, 2025. July 1 date reflects the start of our fiscal year, not the audit fieldwork.

What level of involvement do you expect from your team during the audit?

The CFO, along with the Interim Director of Accounting, will serve as primary contacts for the audit, but the full accounting team will be actively involved. Team members will support the audit by preparing schedules, providing documentation, and responding to requests related to their areas.

Do you prefer onsite, remote or hybrid?

Onsite or hybrid preferred to allow for direct collaboration and easier access to physical records when needed.

When is the presentation of audit results to management and the board typically occur? Is the Draft presented or Final presented?

A draft audit report by mid-September and final delivery by September 30. The auditor will report during the October Board Meeting via Zoom usually scheduled anytime within the first weeks of the month (annually).

How many individuals are involved in financial reporting and oversight?

Financial reporting and oversight involve two Accounting Supervisors (Senior Accountants), the Interim Director of Accounting, and the Chief Financial Officer (CFO).

Tell us a little about your accounting department (i.e. how many people, what levels, etc.) to give a sense of segregation of duties.

The accounting team consists of seven staff members, along with the Interim Director of Accounting. The team members are AP Coordinator, AR Accountant, Purchasing Specialist, two Senior Accountants (one Senior Accountant for Grants and Payables – A/P Coordinator and Purchasing Specialist are direct reports and another Senior Accountant for Accounts Receivable – AR Accountant is a direct report), a Staff Accountant, and an HR Accountant. Collectively, the team brings a strong mix of transactional expertise and higher-level accounting experience, supporting day-to-day operations and month-end close processes.

Who is your investment manager/advisor? Are there any issues with confirmations or timing of the reports? Do you have an investment committee? Prior year financial statements shows only level 1 and 2 investments – have there been any change in the investment mix? What is the nature of the alternative investments?

Commerce Trust: statements are distributed and uploaded monthly. There are no issues with confirmation or timing of the reports. Overview is provided annually at the request of Senior Leadership and the Board. Parents as Teachers National Center (PATNC) Board works with the Audit Committee. There has been no change in the investment mix. Alternative investments are publicly traded Hedge Funds with daily liquidity and NAV.

Cash – how many accounts does that represent?

One primary cash account and one sweep account linked to it; as well as a business money market account.

Receivables – have there historically been any issues with confirmations of receivables?

No

Property and equipment – how do you track (i.e. do you use any software)? Any significant changes expected?

Fixed asset software is not utilized. Property and equipment are tracked using an internal schedule, which includes details such as cost, and depreciation. Currently, no significant changes to property or equipment are expected.

Right-of-use asset – how do you calculate? Do you utilize lease software?

Right-of-use assets calculated using an operating lease template (Excel spreadsheet) recommended by Schmersal.

How do you track functional expenses? Is it within your system or an allocation at year-end?

Functional expenses are coded within MIP using department and project codes that align with program services, management, and fundraising. Calculation is prepared manually at year end. Some allocations may still be made at year-end for accuracy, but most of the functional tracking happens during the year through coded entries.

Net assets – how do you track restrictions and designations? Is it through the system or a manual process?

Restricted and designated net assets are tracked manually, outside of the accounting system. This is done based on contractual agreements, board designations, etc. and through detailed schedules maintained by the accounting team.

Any significant changes in business since prior year or expected changes?

Expected changes due to digital transformation project continuing in FY26 - system updates/changes should not affect FY25 audit.

Do you calculate UBIT?

No

What does the monthly financial reporting package look like?

Balance Sheet, Statement of Activities, and a detailed Statement of Activities. The package also includes variance commentary to explain significant differences between actuals and budget, helping stakeholders understand financial performance.

Do you draft financial statements or would you like us to?

Previously, draft financial statements were created by the CFO; the audit firm has, however, completed the Statement of Cashflows. The accounting team is open to best practices.

Are there typically audit adjustments? Type and number. Any uncorrected adjustments?

There have been some audit adjustments in the past, primarily related to manually maintained schedules, such as net assets, and a prior-year adjustment for an investment gift. There are no uncorrected adjustments to date.

Single audit findings – do you have a process for tracking findings and implementing corrective action plans? What is the progress on the reconciliation of accounts?

Yes, there are processes in place to track findings and implement corrective actions. For journal entries, a review and approval process prior to posting, with proper documentation maintained is followed. Account reconciliations are prepared and reviewed monthly to ensure timely and accurate financial reporting. Reconciliations have been refined and improved over time to ensure clarity, consistency, and proper supporting documentation. Periodic meetings are convened to discuss open items, adjusting entries, and any issues that need resolution.

Any new funding received this year? If so, was any of the new funds Federal?

New funding from Elevance and the Bezos Foundation. Funding also received through Johns Hopkins, which is federal.

Were there any new programs?

DAWN – Doula Assisted Wellness Network – Assisting affiliates to create and implement a doula program. The Elevance, Episcopal and Bezos grants support this initiative.

The FS note that PATNC has a 401k plan. We looked up Form 5500 and it appears you are over the threshold of 100 which requires filing Form 5500 that would require an audit of your 401k. Would you like us to bid on the 401k audit as well?

PATNC is open to a separate cost model for a 401k audit.

How many firms are proposing? Does this include Schmersal?

PATNC is unaware of how many firms are proposing currently. RFP is open to any qualified firms, and all proposals are considered equally.

Can you describe your current digital infrastructure, including financial systems, grant management platforms, and any custom tools used for affiliate reporting?

The current digital infrastructure includes MIP Fund Accounting for financial management, Aptify primarily for Accounts Receivable and billing, and Microix for requisition and purchase order management. While PATNC does not currently use a dedicated grant management platform, other options are being explored. For affiliate reporting and program-related data tracking, other departments utilize tools such as DataKeeper and VisitTracker, though these are managed outside of the accounting team.

What payroll company do you utilize?

ADP

Are there any significant organizational changes anticipated (e.g., expansions, mergers, major system implementations, or new funding sources)? Any campaign plans in next one to three years?

PATNC is planning to implement a digital transformation (accounting system – MIP; Customer Relationship Management system – Aptify; Content Curriculum to replace the current platform). The goal is to adopt a more integrated solution that will centralize and streamline Accounts Receivable, Accounts Payable, General Accounting, and Grants Management, as well as ease for Parent Educators with access to content curriculum. The audit for FY25 should not be affected by digital transformation.

Have you received any federal funds from ARPA/Cares Act? Or do you anticipate receiving any of these funds as they wind down?

Previously received ARPA dollars and currently there is one active grant via the City of STL from the State of Missouri.

Are you interested in advisory services beyond the audit (e.g., internal controls, training)?

Only audit services and 990 preparation are being procured at this time. Any complimentary services may be considered a value add during the assessment of proposals.

Who are the primary users of your audited financial statements?

The audited financials are primarily used by Board of Directors, leadership team, and finance staff for oversight and planning. Externally, they're shared with the federal clearinghouse, funders/watchdog agencies, regulators, and donors to demonstrate financial health, compliance, and accountability.

Does your board or audit committee meet regularly with the auditor?

The auditor meets with the audit committee and full board to present the report. Other meetings may be scheduled as deemed necessary (typically with the Audit Committee Chair and/or Audit Committee).

Are there any board or donor concerns that the auditor should be aware of?

No

Beyond dashboards and rankings, are there any specific benchmarking reports or industry comparisons you would find especially valuable?

PATNC previously received a 5-year operational analysis, as well as a Watchdog Analysis report from the prior audit firm. Always open to value add.

Have there been any recent changes in accounting personnel, structure, or internal controls that we should be aware of?

There has been a recent change in accounting leadership. The Interim Director of Accounting has been hired as a contractor since February 2025 to oversee accounting operations during this transition period. While this role is currently temporary, there are plans to evaluate making it permanent in the future. In the meantime, the team continues to manage day-to-day operations. Also using a temporary employee in procurement.