CITY OF GAINESVILLE
GENERAL GOVERNMENT

Proposal to Provide
Audit and Related Services

Years ending September 30, 2017, 2018 and 2019, and
Option years ending September 30, 2020, 2021, 2022 and 2023

EFPR GROUP, CPAs, PLLC

Douglas E. Zimmerman, CPA
Partner, Chief Operating Officer
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October 24, 2016

CITY OF GAINESVILLE
GENERAL GOVERNMENT

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October 24, 2016

General Government Purchasing
City of Gainesville
200 East University Avenue, Room 339
Gainesville, Florida 32601

Dear Sir or Madam:

We are pleased to submit our proposal to provide audit and related services to the City of Gainesville General Government for the years ending September 30, 2017, 2018 and 2019, and four option years ending September 30, 2020, 2021, 2022 and 2023. We believe the EFPR Group, CPAs, PLLC is highly qualified to provide audit and related services to the City based on:

- Our substantial experience with regard to providing audit and related services for over 175 governmental organizations annually.
- Our substantial experience providing audit and related services to municipalities, including the following:
  - County of Allegany
  - County of Chemung
  - County of Columbia
  - County of Delaware
  - County of Lewis
  - County of Madison
  - County of Ontario
  - County of Orleans
  - County of Saratoga
  - City of Amsterdam
  - City of Destin
  - City of Johnstown
  - Town of Alexandria
  - Town of Bergen
  - Town of Canandaigua
  - Town of Campbell
  - Town of Clarkson
  - Town of Elmira
  - Town of Erwin
  - Town of Gates
  - Town of Hannibal
  - Town of Lumberland
  - Town of Malta
  - Town of Middletown
  - Town of Milton
  - Town of North Elba
  - Town of Patterson
  - Town of Sterling
  - Town of Ulster
  - Village of Arkport
  - Village of Bergen
  - Village of Clayton
  - Village of Cold Spring
  - Village of Delhi
  - Village of Greenwich
  - Village of Montebello
  - Village of Waterford
  - Borough of Sayre
  - Borough of South Waverly
  - Borough of Wyalusing

- Our substantial experience with regard to providing audit and related services for organizations which require audits performed in accordance with the provisions of Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (formerly OMB Circular A-133). We provide annual audit services for over 150 single audit compliant organizations.

- Our substantial experience with regard to providing audit and related services for organizations required to have audits which are performed in accordance with Government Auditing Standards, issued by the Comptroller General of the United States. We audit over 400 organizations annually in accordance with Government Auditing Standards.

- Our ability to provide quality services on a timely basis for reasonable fees.

Our depth of experience working with many governmental entities should provide peace of mind that the City would be served by a highly competent team of professionals committed to assist in whatever capacity you require. We understand that for our services to be valuable to the City, we need to provide more than just financial reporting. At the EFPR Group, CPAs, PLLC, we take a proactive approach to our client relationships in order to ensure we are anticipating our client's needs before they call on us for assistance. We are available throughout the year to answer questions and address concerns that may arise.

We would consider it a distinct privilege to provide professional services as outlined in this proposal or any additional services you desire. Simply put, we want to be your auditors and business consultants. Please contact us if there are any questions regarding this proposal.

A copy of this letter is enclosed; if the terms of this proposal are satisfactory to you, please sign the copy and return it to me at your convenience.

Very truly yours,

EFPR GROUP, CPAs, PLLC

Douglas E. Zimmerman, CPA
Partner
Chief Operating Officer

FIRM PHILOSOPHY

The EFPR Group, CPAs, PLLC was founded on the principle of providing our clients with the same high quality level of service expected from a national firm yet with the dedicated involvement that can only be developed by personal attention. The primary mission of our Firm has always been helping our clients succeed. We are committed to delivering services targeted to each client's critical needs and industry niche.

KEY CONSIDERATIONS REGARDING THE EFPR GROUP

Our Firm has achieved its present position in the accounting profession by providing quality services on a timely basis, for reasonable fees. Accounting firms should be evaluated in light of several important conditions:

- The firm's qualifications, experience and its ability to provide auditing, accounting and consulting services for a reasonable fee.
- The firm's ability to assemble and commit a team of professionals experienced in providing audit, accounting and consulting services for governmental organizations, specifically municipalities.
- The firm's involvement of client personnel and active participation and coordination on a year-round basis.
- The firm's commitment to provide services which will contribute to the success of our clients.

In the following paragraphs, we shall demonstrate that the EFPR Group, CPAs, PLLC is the accounting firm best qualified to serve the City of Gainesville.

FRESH PERSPECTIVE

Changing auditors does not have to be difficult. The professionals at the EFPR Group, CPAs, PLLC are excited about providing the City with a fresh perspective on internal controls, compliance risks, and other operational matters. As noted throughout our proposal, our objective is to provide value beyond our financial and compliance audits.

FIRM PROFILE

Name of business: EFPR Group, CPAs, PLLC

Mailing address, telephone, fax number and email address: 1061 E. Indiantown Road, Suite 104, Jupiter, Florida 33477; (561) 746-0999; (561) 575-9165; dzimmerman@efprgroup.com

Business hours: 8:30 a.m. to 5:00 p.m.

State whether the firm is local, regional, national or international and indicate the business legal status: EFPR Group, CPAs, PLLC is a regional Partnership.

Date business was organized and/or incorporated and where location of the office from which the work is to be done and the number of professional staff employees at that office:

EFPR Group, CPAs, PLLC rebranded in 2015. The predecessor firms that make up EFPR Group, CPAs, PLLC have been providing audit and related services to municipalities for over 47 years. The firm is a partnership and has offices located in Jupiter, Florida, Williamsville, Rochester, Corning, Canandaigua, and Newark, New York. The firm employs 220 professionals with 44 partners and directors. The Firm's Governmental Audit Practice Group consists of 50 highly trained professionals who provide audit and related services to governmental organizations on a year round basis. The audit of the City of Gainesville will be staffed by the professionals from our Jupiter, Florida and Williamsville, New York offices. The total number of professional staff in these offices is 51.

Indicate whether the business is a parent or subsidiary in a group of firms/agencies:

The EFPR Group, CPAs, PLLC is a subsidiary of TEM Group CPAs, PLLC.

INDEPENDENCE

The EFPR Group, CPAs, PLLC is independent of the City of Gainesville as defined by generally accepted auditing standards and U.S. Government Accountability Office (GAO)'s Government Auditing Standards. Accordingly, no relationship exists between the EFPR Group, CPAs, PLLC and the City or any of its employees, Board members or with any person or agency that constitutes a conflict of interest with respect to the City.

The EFPR Group, CPAs, PLLC has not had any professional relationships with the City of Gainesville in the past five years that would constitute a conflict of interest relative to performing the proposed audit. Additionally, our firm will give the City written notice of any professional relationships entered into during the period of this agreement.

LICENSED TO PRACTICE IN THE STATE OF FLORIDA

The EFPR Group, CPAs, PLLC is licensed to practice in the state of Florida. Please see Appendix A for evidence of the firm's license to practice.

FIRM QUALIFICATIONS AND EXPERIENCE

The EFPR Group, CPAs, PLLC provides audit, accounting and consulting services to over 175 governmental organizations on an annual basis. We also serve more than 400 organizations which require an audit performed in accordance with Government Auditing Standards and over 150 clients that require audits performed in accordance with the provisions of Office of Management and Budget (OMB) Uniform Administration Requirements, Cost Principles and Audit Requirements for Federal Awards (formerly OMB Circular A-133). Please see Appendix A for detailed resumes of the Firm's key Government Audit Practice Group members and Appendix B for a partial listing of governmental organizations which are our clients.

Our Firm has substantial experience providing audit, accounting and consulting services to various governmental organizations. We are very familiar with generally accepted Government Auditing Standards (GAGAS), issued by the Comptroller General of the United States. We perform approximately 400 GAGAS audits annually. Our team of professionals from our Government Audit Practice Group is well versed and keeps up-to-date on all standards affecting the government environment.

Our Firm has substantial experience performing audits in accordance with the provisions of Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (formerly OMB Circular A-133). We provide services for more than 150 organizations annually which require audits performed in accordance with the provisions of the OMB Uniform Guidance, including having performed the Single Audit of the State of New York.

Experience with Governmental Organizations

Our Firm currently provides annual financial statement and single audit services to nine New York State counties and numerous other municipalities on an annual basis. Our audits of these counties are performed in accordance with auditing standards generally accepted in the United States of America, the provisions of Government Auditing Standards, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (formerly OMB Circular A-133). As part of these engagements, we issue a report on compliance and internal control over financial reporting. We currently provide financial statement audit, single audit and related services to the following counties:

- County of Allegany
- County of Chemung
- County of Columbia
- County of Delaware
- County of Lewis
- County of Madison
- County of Ontario
- County of Orleans
- County of Saratoga

Our Firm also provides financial statement audit and related services to the following municipalities:

- City of Amsterdam
- Town of Alexandria
- Town of Bergen
- Town of Canandaigua
- Town of Campbell
- Town of Clarkson
- Town of Elmira
- Town of Erwin
- Town of Gates
- Town of Hannibal
- Town of Lumberland
- Town of Malta
- Town of Middletown
- Town of Milton
- Town of North Elba
- Town of Patterson
- Town of Sterling
- Town of Ulster
- Village of Arkport
- Village of Bergen
- Village of Clayton
- Village of Cold Springs
- Village of Delhi
- Village of Greenwich
- Village of Montebello
- Village of Waterford
- Borough of Sayre
- Borough of South Waverly
- Borough of Wyalusing

Additionally, our firm was recently named independent external auditor for the City of Destin, Florida commencing with the September 30, 2016 audit.

Our Firm provides audit services to the New York State Office of the State Comptroller. We recently performed the audit of the system of internal controls of the New York State Office of the State Comptroller. Our examination was conducted in accordance with Government Auditing Standards, issued by the Comptroller General of the United States and the standards established by the American Institute of Certified Public Accountants and, accordingly, included obtaining an understanding of internal controls, testing and evaluating the design and operating effectiveness of the internal controls, and performing such other procedures as we considered necessary under the circumstances. The Office of the State Comptroller is responsible for paying New York State's bills and payrolls, verifying all financial transactions of the State, reviewing the financial and management practices of State agencies, supervising the fiscal affairs of local governments, investing State funds and issuing bonds and notes and administering the retirement program for the State and most local government employees.

In addition to our audit of the system of internal controls of the New York State Office of the State Comptroller, our Firm performs audits in accordance with the "New York State Governmental Accountability Audit and Internal Control Act" of the following New York State Agencies and Departments:

- New York State Executive Chamber
- New York State Division of the Budget
- New York State Unified Court System
- New York State Assembly
- New York State Senate

Our Firm provides audit services to the New York State Urban Development Corporation d/b/a Empire State Development. We perform the annual audit of the general purpose financial statements of the Corporation (a component unit of the State of New York) in accordance with auditing standards generally accepted in the United States of America, the provisions of Government Auditing Standards, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (formerly OMB Circular A-133). The Corporation's goal is to create and retain jobs and to reinvigorate economically distressed areas of the State. The Corporation administers various economic development programs which provides tax incentives designed to attract new businesses to New York State and to enable existing businesses to expand and create more jobs. The Corporation has over 150 subsidiaries which are consolidated for financial reporting purposes. Our firm provides audit and related services to various subsidiaries of Empire State Development. Empire State Development has annual revenues in excess of $1.5 billion and assets of more than $12.5 billion.

Additional Services Provided to Governmental Clients

Our Firm has assisted our governmental clients in obtaining a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association. We are committed to providing the highest quality services and assisting governmental entities in meeting regulatory deadlines.

Our Firm is familiar with the review process that the Government Finance Officers Association (GFOA) uses to evaluate the CAFR and can assist the City in obtaining the Certificate of Achievement for Excellence in Financial Reporting. Our firm has prepared the CAFR for the Town of Brookhaven, Counties of Putnam and Sullivan and assisted in the preparation of the CAFR for the Counties of Chemung, Ulster, Cattaraugus and Steuben. The additional minimum requirements to prepare the CAFR are as follows:

- Introduction section, including names of City officials,
- Combining statements of government funds, including comparisons of actual to budget, and
- A statistical section.

We have provided consulting services to our clients with regard to implementation of Governmental Accounting Standards Board (GASB) Statement No. 33 - "Accounting and Financial Reporting for Nonexchange Transactions," and GASB Statement No. 34 - "Basic Financial Statements and Management's Discussion and Analysis." We have worked extensively with our government clients in ensuring that they have complied with the reporting requirements of GASB Statement No. 34. Consulting services offered to our clients with regard to implementation of GASB Standards include, but are not limited to, the following:

- Implementation of infrastructure reporting
- Implementation of fixed asset policies and procedures
- Reporting of infrastructure costs and assistance and guidance in preparing the Management Discussion and Analysis (MD&A)

We have vast knowledge of GASB Statement No. 45 - "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions." GASB Statement No. 45 requires that governmental organizations record a liability for postemployment benefits, primarily health insurance. We have assisted our governmental clients with the implementation of this statement which requires that the actuarial determined liability for the cost of health insurance for active and retired employees be recorded as a liability on the financial statements of the governmental organization. As a result of the implementation of this statement we have worked extensively with actuaries and the management of our clients in order to determine the proper liability.

Additionally, we keep our clients abreast of changes in the governmental accounting environment. We are assisting our clients with the implementation of the requirements of GASB Statements No. 68 - "Accounting and Financial reporting for Pensions - an amendment of GASB Statement No. 27" and GASB Statement No. 71 - "Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68." Together these statements require employers participating in a multiple employer pension plan record their proportionate share of the net underfunding/overfunding of the plan. These statements also make provision for the treatment of contributions made between the measurement date of the plan and the reporting date of the entity as deferred outflows of resources.

Our Firm also issues periodic newsletters to our clients which includes emerging trends in certain industries, including governmental issues. Any significant new accounting and auditing pronouncements that could impact our clients are communicated to our clients during our fieldwork and throughout the term of our contract. We will communicate any new accounting and auditing pronouncements, as well as new reporting requirements, as they arise. We recently sent our governmental and nonprofit clients a five part series of e-blasts related to the significant points of the Super Circular. Please see Appendix E for a copy of that five part series.

Experience with Tax-Exempt Debt Financing

Our Firm has experience with regard to providing audit services to governmental organizations which issue substantial debt financing. We have provided annual audit services to Empire State Development, New York Local Government Assistance Corporation, and the New York State Thruway Authority, which have a combined total of more than $35 billion in tax exempt bonds outstanding. The following is a listing of recent bond financing in which our Firm has issued consent or comfort letters for:

- New York State Thruway Authority issued General Revenue Bonds, Series K in the amount of $743,865,000 on December 4, 2014.
- New York State Thruway Authority issued General Revenue Bonds, Series J in the amount of $677,460,000 on March 15, 2013.
- New York State Thruway Authority issued General Revenue Bonds, Series I in the amount of $1,101,345,000 on June 27, 2012.
- Ulster County Resource Recovery Agency issued Solid Waste System Revenue Refunding Bonds, Series 2012 in the amount of $9,410,000 on May 25, 2012.
- Ulster County Resource Recovery Agency issued Solid Waste System Revenue Refunding Bonds, Series 2012 in the amount of $6,435,000 on May 18, 2012.
- New York State Bridge Authority issued General Revenue Bonds, Series 2012 in the amount of $90,325,000 on April 23, 2012.

Similar Engagements with Other Government Entities

Our Firm has provided various audit services to numerous governmental organizations. The following individuals may be contacted to provide references with regard to the quality of our Firm's work:

County of Chemung

Scope of work: Audit of financial statements and single audit, including New York State Department of Transportation audit. Assist in the preparation of the CAFR and submittal for GFOA certificate.

Date: 2009 and ongoing

Contact: Mr. Joseph Sartori, CPA
Manager of Financial Operations
County Treasurer
County of Chemung
320 East Market Street
Elmira, New York 14424
(607) 737-2925

County of Ontario

Scope of work: Audit of financial statements and single audit, including New York State Department of Transportation audit and audit of the County Deferred Compensation Plan.

Date: 2014 and ongoing

Contact: Ms. Lorrie K. Scarrott, CMA
Manager of Financial Operations
Deputy Director of Finance
County of Ontario
3019 County Complex Drive
Canandaigua, New York 14424
(585) 396-4426

Town of Ulster

Scope of work: Audit of financial statements and single audit of the Town and audit of the Town Justice Court.

Date: 2009 and ongoing

Contact: Mr. James E. Quigley, 3rd
Supervisor
Town of Ulster
1 Town Hall Drive
Lake Katrine, New York 12449
(845) 382-2765

Town of Patterson

Scope of work: Audit of financial statements of the Town and audit of the Town Justice Court.

Date: 2013 and ongoing

Contact: Mr. Richard Williams, Sr.
Town Supervisor
Town of Patterson
1142 Route 311, P.O. Box 470
Patterson, New York 12563
(845) 878-650

PARTNER, MANAGER AND STAFF QUALIFICATIONS AND EXPERIENCE

Achieving our present position in the profession has come as a result of being responsive to the needs of our clients. A combination of a coordinated team approach and up-to-date knowledge allows for the most efficient approach to providing comprehensive professional services. Accordingly, we will assemble an engagement team that will include audit personnel with extensive government audit experience. As opposed to many CPA firms, our proposed service team is not involved with income tax services and will be available year-round with government industry expertise. The key individuals available to be assigned to these engagements and their roles are as follows:

Douglas E. Zimmerman, CPA will serve as the partner in charge of our relationship with the City of Gainesville. Doug will oversee all services provided and ensure that they are delivered in a timely and efficient manner. He will be responsible for all matters concerning accounting policy, participate in the planning phases of our engagement, review all working papers and reports prepared, and attend meetings with management and the Board. He has over 29 years of public accounting experience and currently functions as a partner and Chief Operating Officer in the Firm. He has extensive experience in providing audit, accounting and consulting services for numerous governmental organizations. Doug is licensed in Florida and New York State as a Certified Public Accountant.

Joseph M. Klimek, CPA will serve as the engagement quality control review partner. Joe will provide a secondary review of all deliverables and critical engagement decisions and will be available throughout the engagement to consult and review on any auditing and accounting questions that may arise. He has over 35 years of public accounting experience. He currently functions as a partner in the Firm and has extensive experience in providing audit, accounting and consulting services for numerous governmental organizations.

John S. Costilow, CPA will serve as the engagement manager, overseeing the day-to-day performance of the audit. John has over nine years of public accounting experience. He has extensive experience in providing audit, accounting and consulting services for numerous governmental organizations.

Thomas E. Smith, CPA will serve as a senior accountant on this engagement. He has extensive experience in providing audit, accounting and consulting services for numerous governmental organizations.

Matthew DuBois will serve as a senior accountant on this engagement. He has extensive experience in providing audit, accounting and consulting services for numerous governmental organizations.

Staff Accountants: Your account will also be assigned an additional two staff accountants from the Firm's Government Audit Practice Groups, who will work as part of the engagement team in performing your audit.

Continuing Professional Education

With regard to continuing professional education (CPE), each of our staff members is required to complete an annual minimum of 40 hours of CPE programs approved by the American Institute of Certified Public Accountants. Additionally, since we perform audits in accordance with generally accepted Government Auditing Standards (GAGAS) (over 400 each year), our staff members must complete at least 24 of the 80 hours (over a two-year period) of CPE in subjects directly related to the government environment and government auditing. Due to the substantial volume of governmental audits performed, our Firm continually monitors staff CPE compliance with the GAGAS requirements. All of the individuals listed above are in compliance with the CPE requirements. Please see Appendix A for copies of the CPE courses attended by the proposed staff in the past two years.

Information Technology Experience

Our Firm has substantial experience in performing audits of automated systems. We have provided thousands of hours of computer consulting services over the last few years to numerous education related and governmental organizations which utilize various software systems to maintain their financial records.

Our Firm has a Certified Information Systems Auditor in charge of the firm's Information Technology Practice Group. This Group analyzes systems and obtains evidential matter in audit engagements to corroborate the effectiveness of IT system controls, management of resources and adherence to policies.

Our Firm's Information Technology Practice Group is headed by Craig Julien. This Group analyzes systems and obtains evidential matter in audit engagements to corroborate the effectiveness of IT system controls, management of resources and adherence to policies. Some of the information technology systems that our firm has audited in connection with the engagements we perform include the following:

- New York State Division of the Budget in connection with performing the Single Audit (OMB Circular A-133 Audit) of the State of New York
- New York State Office of the State Comptroller
- SUNY at Stony Brook University Hospital Medical Center
- New York State Division of the Budget in connection with our audit of the internal control system

CONFLICT OF INTEREST

There is no potential conflict of interest due to any of our current clients' contracts or property interest. No member of EFPR Group, CPAs, PLLC's ownership, management or staff currently has a vested interest which might be considered a conflict of interest.

SPECIFIC AUDIT APPROACH

We confirm that we understand the scope of services to be provided and will commit the resources necessary to ensure performance of our services. Our audits are made in accordance with auditing standards generally accepted in the United States of America and, accordingly, include such tests of the accounting records and other auditing procedures as we consider necessary and appropriate in order to express an opinion on the financial statements.

Although audits conducted by different firms should all comply with certain professional requirements and thus might appear identical in nature, you should distinguish individual firms by at least two key factors:

1. The extent to which the firm understands or expands its understanding of your City in advance of the audit and tailors its auditing procedures to the conditions and needs of the City.
2. The pertinent skills and processes the auditor can bring to bear upon the engagement to ensure an effective and efficient audit.

Transition from Current Auditor

Changing auditors for the City should not be a difficult task. Fortunately, your proposed engagement team has had many opportunities over the years to step in as the new auditor. This experience helps ensure that the transition goes as smoothly as possible. From communicating with the predecessor auditor, reviewing their work papers, documenting and understanding your business processes, we will focus on minimizing the challenges that sometimes come with an auditor change. We will obtain as much information as possible from your predecessor auditor and then assemble a list of any items needed from the City's management, along with mutually agreed-upon response dates. Our objective as your professional service provider will be to front load as much work as possible, including our transition as your external auditor. Because of your engagement team's experience with municipalities, our engagement team will hit the ground running, resulting in minimal disruption to your day-to-day operations.

Financial Statement Audit

Audit examinations performed by our Firm are conducted from a risk-based approach. This approach yields two major benefits:

- Maximization of understanding of the City's operating environment, and
- Minimization of audit time by starting with broad considerations and narrowing to specific audit objectives in critical areas.

The audit of the financial statements of the City of Gainesville will consist of the following four phases:

- Planning
- Systems evaluation
- Testing
- Reporting

  - Planning is the first step in the audit engagement and provides the foundation for the direction of the audit. This phase of the audit involves meeting with the Audit Committee and management of the City to clearly identify the lines of communication, perform the risk analysis, discuss the audit scope and concerns and set expectations. While facilitating an understanding between our firm and the City, we highlight areas, which will receive emphasis during our audit. This type of analytical review process permits identification of critical areas. As a result, appropriate audit procedures are focused therein.

  - Systems Evaluation consists of the following steps:

    - A review of internal control systems of the City.
    - A review of the information technology systems utilized by the City to prepare its accounting records and monitor compliance with regulatory requirements.
    - An identification of control strengths and weaknesses in management and accounting controls, and
    - The development of a tailored audit program to be responsive to the City's concerns and reflective of the internal control system.

  - Testing is the largest part of the audit process and includes both compliance test of internal controls and regulatory requirements and substantive test of the City's financial data.

    The EFPR Group, CPAs, PLLC uses sampling in selecting items for examination by compliance and/or substantive tests where it is determined to be cost beneficial to sample the population. Our Firm has an Audit and Accounting Manual which contains procedures for the control and evaluation of sampling risk, selection of samples, and evaluation of sample results.

Audit sampling will normally be used to perform the following tests:

- Substantive tests as part of the audit of the City's basic financial statements;
- Compliance tests to provide reasonable assurance that internal control (accounting and administrative) procedures used as prescribed, and
- Substantive tests of compliance with laws and regulations as part of the audit of the basic financial statements.

- Reporting is completed at the conclusion of the audit process. This phase will include the preparation of the draft financial statements and management letter. Management of the City will be provided drafts of all reports. These drafts will be reviewed in detail and any questions or concerns of management will be appropriately addressed. Reports will only be finalized after approval of management and the Audit Committee of the City.

  Our management letter will discuss internal control recommendations and suggestions for procedural improvements we identified as part of the audit. The letter will also include observations about accounting methods and procedures, business and industry practices or issues, operational ideas, and suggestions to further enhance the City's operations. We will advise you of any new accounting pronouncements that have been or may be issued and indicate their potential impact.

Single Audit Approach

Determining Major Programs

To meet the provisions of the Single Audit Act and Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (formerly OMB Circular A-133), we will use a risk-based approach to determine which Federal programs are major programs. This risk-based approach will include consideration of current and prior audit experience, oversight by Federal agencies and pass-through entities, and the inherent risk of the Federal program. The following is the approach we will follow in our single audit:

- Determine Type A programs
- Determine high-risk Type A programs
- Determine high-risk Type B programs
- Determine programs to be audited as major programs

Identification of Material Compliance Requirements

In performing the Single Audit, we will focus on testing those compliance requirements that are material to each program. The OMB compliance supplement identifies the general categories of material compliance requirements. The 2017 updated compliance supplement identifies specific requirements for the Federal programs determined to be major programs. While the compliance supplement will be used as a starting point to identify material compliance requirements, we will also review other documents to consider potential material requirements. Documents that may be considered include the Code of Federal Regulations, Catalog of Federal Domestic Assistance, program and grant award letters, and grant guides and audit manuals. We will also discuss program requirements, new regulations, and program changes with respective program managers during the planning phase of the engagement to identify additional or new material compliance requirements. Only those requirements that are considered to be material are subject audit test work. The following are the 12 categories of requirements identified in the compliance supplement:

- Activities allowed or unallowed
- Cash management
- Matching, level of effort, earmarking
- Procurement, suspension and debarment
- Real property acquisition and relocation
- Subrecipient monitoring
- Allowable costs/cost principles
- Eligibility
- Period of availability of Federal funds
- Program income
- Reporting
- Special tests and provisions

OMB's compliance supplement describes characteristics of internal control relating to each of the five components of internal control that should reasonably assure compliance with the requirements of Federal laws, regulations, and program compliance requirements. A description of the components of internal control is as follows:

- Control environment sets the tone of an organization influencing the control consciousness of its people. It is the foundation for all other components of internal control, providing discipline and structure.

- Risk assessment is the entity's identification and analysis of relevant risks to the achievement of its objectives. This forms a basis for determining how the risks should be managed.

- Control activities are the policies and procedures that help to ensure that management's directives are carried out.

- Information and communication are the means to identify, capture, and exchange information in a form and time frame that enable people to carry out their responsibilities.

- Monitoring is the process that assesses the quality of internal control performance over time.

Level of Staff and Number of Hours to be Assigned

The following is an estimated number of hours by staff classification for each segment of the audit:

	Estimated number of hours			
Phase	Partner	Manager	Senior/Staff	Total
Planning	25	26	144	195
Systems evaluation	25	30	151	206
Testing	22	36	244	302
Reporting	28	28	141	197
	100	120	680	900

Extent of Use of Software in the Engagement

All of our field staff are equipped with laptop computers and have access to various software packages and databases (e.g. data extraction software, flowchart software, Microsoft Office, etc.) and other electronic means to ensure that the audit is performed in the most efficient manner.

At the EFPR Group, CPAs, PLLC we use a paperless auditing software called Caseware. As a result, we have the ability to access an audit file from any remote location. This allows for real time consultation as issues arrive, with Partners, experts and other team members, even if we are not physically in the same location. Caseware also allows us to use workpapers in almost any format you choose to provide. This results in a more efficient audit process, keeping down costs and reducing the time needed to deliver a completed set of financial statements.

Our Firm also subscribes to a secure file sharing system which allows us to transmit sensitive and confidential data, back and forth on a secure platform regardless of the size of the particular file. This ensures that your data remains confidential while making transmitting such data more efficient and secure than email.

Approach to be Taken to Gain and Document an Understanding of the City's Internal Control Structure

Our Firm will use the Committee of Sponsoring Organizations of the Treadway Commission (COSO) "Internal Control - Intergrated Framework" (the COSO report) as a broad framework of criteria against which to evaluate the effectiveness of the internal controls.

Our Firm will obtain an understanding of the City's policies and procedures, including an understanding of the internal control system of the City. Additionally, we will obtain the City's budget and related materials, organizational charts and any internally developed manuals that are pertinent to the audit. The understanding of the City's internal control system will include each of the components of the control structure such as:

- Control environment.
- Information and communication.
- Risk assessment.
- Monitoring.
- Control activities.

Approach to be Taken in Determining Laws and Regulations that will be Subject to Audit Test Work

The sample size used to test internal controls over financial reporting is determined using a method similar to the one described previously (e.g. assessing the control risk). The tests performed will include tests of attributes to determine compliance with the applicable laws and regulations. The sample size will vary for each attribute tested. All of our staff have access to the Firm's technical library including: authoritative standards, applicable laws and regulations and programs manual, as well as our on-line resources of applicable municipal laws.

Approach to be Taken in Drawing Audit Samples for Purposes of Tests of Compliance

The sampling selection method used will be random. Materiality will vary for each account class being tested. The confidence level or degree of reliability, which is the confidence that all errors exceeding materiality would be discovered if any, occurred, will be 95%. The range of error for each of the objectives indicated above will be less than 2%. The tests performed will include tests of attributes to determine compliance with the applicable laws and regulations.

Approach to be Taken in Reviewing Financial Statements

We will incorporate the GFOA Certificate of Achievement for Excellence disclosure guide to ensure the CAFR meets all required GFOA standards.

We use the predetermined guidelines for government accounting as developed by the Practitioners Publishing Company (PPC) for state and local government in reviewing its required disclosure for Generally Accepted Accounting Principles.

Our review procedure occurs in different stages:

1. All financial statements will be checked for accuracy.
2. Any accepted proposed audit adjustments will be verified for inclusion in the financial statements.
3. All financial statements prepared by the City will be reconciled to the fund balance.

Final Review Process

Final review of the CAFR will be performed by:

1. Senior
2. Manager
3. Engagement Partner
4. Engagement Quality Control Review Partner

There will be two partners involved with the final review of the financial statements.

Approach to be Taken in Assessing Risks of Information Systems Related to Financial Reporting

Our Firm has substantial experience in performing audits of automated systems. We have provided thousands of hours of computer consulting services over the last few years to numerous education related and governmental organizations which utilize various software systems to maintain their financial records.

Our Firm has a Certified Information Systems Auditor in charge of the firm's Information Technology Practice Group. This Group analyzes systems and obtains evidential matter in audit engagements to corroborate the effectiveness of IT system controls, management of resources and adherence to policies.

Reporting to the Board

As required by professional standards, we will ensure that the City Council will be informed of the following:

- The Auditors' responsibility under auditing standards generally accepted in the United States of America
- The Auditors' responsibility under Government Auditing Standards and the provisions of the OMB Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Formerly OMB Circular A-133).
- Significant accounting policies
- Management judgments and accounting estimates
- Significant audit adjustments
- Other information in documents containing audited financial statements
- Disagreements with management
- Management consultation with other accountants
- Major issues discussed with management prior to retention
- Difficulties encountered in performing the audit
- Any other matter which may be important to the fair presentation of the City's financial statements

Scope of Services

The following is an outline of the services to be provided to the City of Gainesville for the years ending September 30, 2017, 2018 and 2019, and four option years ending September 30, 2020, 2021, 2022 and 2023:

- Audit the financial statements in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the provisions of Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (formerly OMB Circular A-133). The primary purpose of this audit is the expression of an opinion as to the fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America.

- Audit the major federal programs, including the Schedule of Expenditures of Federal Awards, in accordance with the provisions of Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (formerly OMB Circular A-133).

- Issue a report on compliance and internal control over financial reporting. This report will communicate any reportable conditions and instances of noncompliance found during our audit.

- Prepare a letter to management detailing comments and suggestions for improvements in internal controls or general management techniques that come to our attention during the audit. We will review and explain all observations and recommendations so that appropriate changes may be implemented.

- Assist the City with the preparation of the Comprehensive Annual Financial Report (CAFR) in order to obtain the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association.

- Provide the City a detailed audit plan and a list of all schedules to be prepared by the City each year.

- Prepare U.S. Form SF-SAC - "Data Collection Form for Reporting on Audits of States, Local Governments and Non-Profit Organizations."

- Attend a meeting with the City Commission to review the results of our audit of the financial statements and trends that could impact the City.

- Maintain contact throughout the year to discuss: (a) changes in accounting which could affect the City and (b) the progress toward fulfilling current needs and future objectives.

Timing and Cost

Upon receiving notice of appointment as auditors, we will meet with you and establish a definite time program for the performance of our services. The time program will be established in such a way to ensure that work is efficient and structured in such a way as to avoid disrupting the day-to-day routine duties of your staff. The following is an estimated timetable related to performance of our services for the year ending September 30, 2017:

Task	Deadline
Complete interim fieldwork	By September 30th
Commencement of final fieldwork	By October 15th
Complete final fieldwork	By November 15th
Issue draft reports	By December 31st
Issue final reports	By January 31st

Fees are based upon the actual time spent on the engagement and the qualifications of personnel assigned. On the basis of our extensive experience performing financial statement audit services for other municipalities similar to yours, we have determined the total maximum not-to-exceed fees for the aforementioned services for the years ending September 30, 2017, 2018 and 2019, and four option years ending September 30, 2020, 2021, 2022 and 2023 to be as stated in our separate cost proposal. These are the all inclusive fees to be charged to the City and include all costs, including report reproduction and similar expenses (travel, phone, clerical, postage, etc.).

PROOF OF PROFESSIONAL LIABILITY INSURANCE

EFPR Group, CPAs, PLLC currently has insurance coverage that meets all requirements of the City Gainesville. Specifically, we carry Commercial General Liability Insurance with an amount of $2,000,000 combined single limit and $4,000,000 in the aggregate; Comprehensive Business Automobile Insurance with an amount of $1,000,000 each accident; and Professional Liability Insurance with an amount of $5,000,000 each occurrence and $5,000,000 in the aggregate. Upon award of contract, we will provide to the City the appropriate insurance certificates naming the City as an additional insured.

QUALITY ASSURANCE

Peer Review

The EFPR Group, CPAs, PLLC (formerly EFP Rotenberg, LLP and Toski & Co., CPAs, P.C.) retains an independent accounting firm to conduct a review of its system of quality control every three years in accordance with the rigorous standards of the American Institute of Certified Public Accountants. In June 2014, our Firm successfully completed the most recent peer review of its accounting and auditing practice. The review determined that the Firm complies with the stringent quality control standards set by the American Institute of Certified Public Accountants. Our Firm has received the highest rating possible (pass) with no letter of comments being required in each of its last eight peer reviews. According to the peer review team, less than one percent of the firms in the nation achieve this level of excellence. We believe that this attests to our commitment to quality. Peer reviews, which are performed every three years, are required of all CPA firms and are conducted in accordance with rules issued by the American Institute of Certified Public Accountants. (See Appendix C for a copy of the reports issued in connection with our most recent peer review).

The peer review included a review of all of the firm's major client categories, including audits conducted in accordance with generally accepted Government Auditing Standards and the provisions of Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards) (formerly OMB Circular A-133).

No federal or state desk review or field review of the EFPR Group, CPAs, PLLC's audits has been completed in the past three years. Additionally, neither the EFPR Group, CPAs, PLLC nor any of our employees has ever been the subject of any disciplinary action by State regulatory bodies or professional organizations. The firm's peer review opinion in Appendix C attests to the exceptional quality of the EFPR Group, CPAs, PLLC's audit work.

BDO Alliance USA

We are an independent member of the BDO Alliance USA, a nationwide association of independently owned local and regional accounting, consulting and service firms with similar client service goals. By supplementing our services, the BDO Alliance USA allows us to:

- Enhance our client services and broaden our capabilities overall
- Expand our domestic and international coverage
- Gain greater technical knowledge in specialty areas
- Utilize professionals with experience in a wide range of industries
- Access the most up-to-date technical information
- Participate in the latest training programs
- Utilize state of-the-art, customized computer systems
- Provide our clients with key contacts and sophisticated professionals throughout the U.S.

The BDO Alliance USA brings us the necessary tools to help us better serve our clients with greater flexibility, efficiency and cost effectiveness.

Government Audit Quality Center

We are also a member of the American Institute of Certified Public Accountants Government Audit Quality Control Center (GAQC). The GAQC promotes the importance of quality governmental audits and the value of such audits to purchasers of governmental audit services. As members, we have access to the latest developments in accounting, auditing, and the various rules and regulations that affect governmental audits. We also receive periodic updates on current issues through news alerts and Webcasts. We are proud of the quality of our work and in order to ensure that this high level of quality is maintained, we have established a comprehensive quality assurance program. The program starts with hiring the best people available and continues with extensive continuing education, an annual minimum of 40 hours per staff member. Our involvement in the GAQC is optional, but indicates a level of commitment above non-member Certified Public Accounting firms. Our participation requires that our firm and personnel attain additional continuing professional education on an annual basis.

ADDITIONAL INFORMATION

Value Added Services

Management Consulting Services

Understanding our client's operations and being involved throughout the year provides us with a unique opportunity to make recommendations and provide consulting services relating to operations which contributes to the success of your organization. The types of consulting services provided include, but are not limited to, the following areas:

- Review of leases and other legal agreements and interpretations of such provisions of leases and agreements.
- Ability to provide better internal control recommendations as a result of our extensive internal control audit experience with regard to governmental organizations.
- Budget reviews.
- Exempt bond financing assistance.
- Risk assessment and analysis.
- Computer needs assessments, conversion phase and implementation.
- Internal financial reporting systems.
- Assessment of Employee Benefits alternatives.
- Cash management analysis and budgeting.
- Assistance in implementing a business plan and long-range planning.
- Tax planning, consulting and preparation.
- Acquisition or valuation studies.

IT Consulting & Risk Management

The EFPR Group has a sophisticated IT department that not only serves the firm internally but also serves our clients. Our IT audit and consulting services are designed to help our clients maintain confidentiality, integrity, data and asset security. We assist our clients in evaluating current software and hardware needs. We also have the capacity to perform security reviews, conduct data and infrastructure security assessments and we have a significant amount of experience in developing policies, procedures, controls and compliance management. We strive to provide useful recommendations that can be easily implemented.

For each audit, we obtain an understating of internal controls over information technology sufficient to determine whether they have been effectively placed in operation. In obtaining this understanding we consider how an entity's use of information technology and manual procedures may affect controls relevant to the audit.

Fraud Detection and Prevention

Stonebridge Business Partners (SBP), an EFPR Group Company, provides a full suite of business valuation, forensic accounting and litigation services to an array of business clients across the United States. In addition, they now provide a state-of-the-art confidential, nationwide ethics hotline and on-line portal. Powered by Red Flag Reporting, the SBP ethics hotline and on-line portal system is recognized as the number one method of identifying and reporting unethical or unsafe conditions so you can prevent any threat to your firm's long-term sustainability. The Association of Certified Fraud Examiners recognizes this service as the most effective method of fraud detection and prevention saving clients thousands of dollars in losses and litigation exposure.

The Stonebridge system provides:

- 24-hour-a-day access for employees, strategic partners and suppliers
- An easy to use and completely confidential telephone and on-line reporting system
- The ability to make reports in English and Spanish
- Certified Fraud Examiners to review each report
- Posters and wallet cards to create employee awareness and facilitate quick response
- Quarterly emails to employees and newsletters to management
- A live fraud awareness seminar and pre-recorded issue awareness webinars
- Detained reports to pre-designated members of your organization
- "Reduced Risk" and increased "Peace of Mind"

Other Significant Information

- Experience - Since the EFPR Group, CPAs, PLLC "specializes" in providing audit and related services to governmental organizations, our field staff is experienced in providing such services.

- Technology - All of our field staff are equipped with laptop computers and have access to various software packages and databases (e.g. data extraction software, flowchart software, Microsoft Office, etc.) and other electronic means to ensure that the audit is performed in the most efficient manner.

- Continuing Education - With regard to continuing professional education, each of our staff members is required to complete an annual minimum of 40 hours of continuing education programs approved by the American Institute of Certified Public Accountants. Additionally, since we perform audits in accordance with Government Auditing Standards (over 400 each year), our staff members must complete at least 24 of the 80 hours (over a two-year period) of continuing education in subjects directly related to the government environment and government auditing.

- Affirmative Action - The EFPR Group, CPAs, PLLC is an equal opportunity employer and as such possesses a firm commitment to affirmative action and to hiring only the best-qualified candidates regardless of gender or ethnic origin. Our Firm does not discriminate against any employee or applicant for employment because of race, creed, color, national origin, sex, age, disability or marital status.

* * * * *

We would consider it a distinct privilege to provide professional services as outlined in this letter or any additional services you may desire. Please contact us if there are any questions regarding this letter.

A copy of this letter is enclosed; if the terms of this proposal are satisfactory to you please sign the copy and return it to me at your convenience.

ACCEPTED:

EFPR GROUP, CPAs, PLLC	CITY OF GAINESVILLE
By: _____	By: _____
Douglas E. Zimmerman, CPA Partner Chief Operating Officer	
Date: October 24, 2016	Date: _____

Appendix A

Detailed Resumes of Key Members of the Firm's Government Audit Practice Group

RICK SCOTT, GOVERNOR

KEN LAWSON, SECRETARY

STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
BOARD OF ACCOUNTANCY

LICENSE NUMBER	
AD69319	

The ACCOUNTANCY CORPORATION
Named below IS LICENSED
Under the provisions of Chapter 473 FS.
Expiration date: DEC 31, 2017

EFPR GROUP, CPAS, PLLC LLC
280 KENNETH DRIVE
ROCHESTER NY 14623

ISSUED: 01/10/2016

DISPLAY AS REQUIRED BY LAW

SEQ # L1601100000930

EFPR GROUP
Certified Public Accountants

Douglas E. Zimmerman, CPA
Partner, Chief Operating Officer

Doug has over 29 years of public accounting experience. He currently functions as a Partner and Chief Operating Officer of the EFPR Group, CPAs, PLLC and has responsibility for providing audit, accounting and consulting services for numerous governmental organizations.

Doug received a Bachelor of Science degree in Accounting from State University of New York College at Geneseo in 1986. He was licensed in New York State as a Certified Public Accountant in 1989 and in the State of Florida in 2015.

Professional Affiliations and Community Affiliations

American Institute of Certified Public Accountants (AICPA)
New York State Society of Certified Public Accountants (NYSSCPA)
BDO Alliance USA

PRACTICE AREAS
Governmental Accounting
Higher Education
Nonprofit

EDUCATION
SUNY Geneseo – B.S., Accounting, 1986

CONTACT
PHONE (716) 634-0700
FAX (716) 634-0764
E-MAIL
dzimmerman@efprgroup.com

Licensee Details

Licensee Information	
Name:	**ZIMMERMAN, DOUGLAS EDWARD** (Primary Name)
Main Address:	**4840 COUNTY RD 11** **RUSHVILLE New York 14544**
County:	**OUT OF STATE**
License Mailing:	
LicenseLocation:	

License Information	
License Type:	**Certified Public Accountant**
Rank:	**CPA**
License Number:	**AC49438**
Status:	**Current,Active**
Licensure Date:	**12/11/2015**
Expires:	**12/31/2016**

Special Qualifications	Qualification Effective

Alternate Names

View Related License Information

View License Complaint

Zimmerman, Douglas **Course History Report - All Licenses**

Courses Attended

Business Development Series 11/16/2015
New York CPE - *Specialized Knowledge/App. 1*
(Upstream Academy - Rochester - Group Live - In House)

Business Development Series 11/2/2015
New York CPE - *Specialized Knowledge/App. 1*
(Upstream Academy - Rochester - Group Live - In House)

BestPractices Conference 2015 10/21/2015 - 10/22/2015
New York CPE - *Advisory Services 13*
(Upstream Academy - Group Live)

Annual Nonprofit Audit and Accounting Update 10/8/2015
New York CPE - *Accounting 1, Auditing 1*
Yellow Book CPE - *Professional Proficiency 2*
(LearnLive - Buffalo - Group Internet-Based - In House)

Business Development Series 8/28/2015
New York CPE - *Specialized Knowledge/App. 1*
(Upstream Academy - Rochester - Group Live - In House)

EBP Update Training 6/26/2015
AICPA-EBPAQC CPE - *Employee Benefit Plans 2*
New York CPE - *Auditing 2*
Yellow Book CPE - *Professional Proficiency 2*
(EFP Rotenberg LLP - Rochester - Group Live - In House)

Business Development Series 6/26/2015
New York CPE - *Specialized Knowledge/App. 1*
(Upstream Academy - Rochester - Group Live - In House)

Tax Power Hour: Valuing Your Tax Practice 5/21/2015
New York CPE - *Taxation 1*
(AICPA - Group Internet-Based)

2015 BDO Alliance Conference-1 5/3/2015 - 5/6/2015
New York CPE - *Advisory Services 9, Specialized Knowledge/App. 5*
(BDO - Group Live)

2015 EBP Update Part III (Accounting & Auditing Update) 4/23/2015
AICPA-EBPAQC CPE - *Employee Benefit Plans 2.5*
New York CPE - *Auditing 2.5*
Yellow Book CPE - *Professional Proficiency 2.5*
(LearnLive - Buffalo - Group Internet-Based - In House)

2015 EBP Update Part I 4/16/2015
AICPA-EBPAQC CPE - *Employee Benefit Plans 1*
New York CPE - *Auditing 1*
Yellow Book CPE - *Professional Proficiency 1*
(LearnLive - Rochester - Group Live - In House)

NFP Fraud - It could happen to your Organization!! 3/19/2015
New York CPE - *Auditing 2*
Yellow Book CPE - *Government Auditing/Environment 2*
(LearnLive - Buffalo - Group Internet-Based)

What we all need to know (and do) with the Tangible Property Regulations this tax season 2/14/2015
New York CPE - *Taxation 1*
(EFP Rotenberg LLP - Rochester - Group Live - In House)

Get Audit Ready - Adequate ProActive Preparation Could Save You 2/11/2015
New York CPE - *Advisory Services 1*
(The Financial Planning Association of Western New York - Group Live)

The "Winning is Everything" Conference 1/28/2015 - 1/30/2015
New York CPE - *Advisory Services 18*
(Koltin Consulting Group, Inc. - Group Live)

Courses Instructed

None

EFPR Group, LLP

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on March 1, 2016

Zimmerman, Douglas **Course History Report - All Licenses**

Courses Attended

Studies on Single Audits and Yellow Book Deficiencies 12/16/2014
New York CPE - *Auditing 8*
Yellow Book CPE - *Government Auditing/Environment 8*
(EFP Rotenberg LLP - Buffalo - Group Live - In House)

Real-World Business Ethics 12/16/2014
New York CPE - *Ethics 5*
(EFP Rotenberg LLP - Buffalo - Group Live - In House)

In-Charge Training 12/16/2014
New York CPE - *Specialized Knowledge/App. 1*
(EFP Rotenberg LLP - Buffalo - Group Live - In House)

Annual Updates for Accountants & Auditors 12/16/2014
New York CPE - *Accounting 3.5, Auditing 3.5*
(EFP Rotenberg LLP - Buffalo - Group Live - In House)

Caseware 12/16/2014
New York CPE - *Specialized Knowledge/App. 1*
(EFP Rotenberg LLP - Buffalo - Group Live - In House)

Audits of HUD-Assisted Projects 12/16/2014
New York CPE - *Auditing 9.5*
Yellow Book CPE - *Government Auditing/Environment 9.5*
(EFP Rotenberg LLP - Buffalo - Group Live - In House)

Annual A&A Update 12/16/2014
New York CPE - *Accounting 3*
Yellow Book CPE - *Professional Proficiency 3*
(EFP Rotenberg LLP - Buffalo - Group Live - In House)

The Biggest Barriers in Launching and Growing Niches 8/27/2014
New York CPE - *Specialized Knowledge/App. 1*
(Upstream Academy - Not Provided - Group Live)

QC Update Training 6/13/2014
New York CPE - *Auditing 1*
Yellow Book CPE - [No Credits]
Adjusted Credits - [No Credits]
(EFP Rotenberg LLP - Not Provided - Group Live - In House)

EBP & Caseware Training 4/21/2014
AICPA-EBPAQC CPE - *Employee Benefit Plans 1.5*
New York CPE - *Auditing 1.5*
(EFP Rotenberg LLP - Not Provided - Group Live - In House)

Single Audit Training 3/15/2014
New York CPE - *Auditing 1.5*
Yellow Book CPE - *Government Auditing/Environment 1.5*
(EFP Rotenberg LLP - Not Provided - Group Live - In House)

Are you Prepared for the Supercircular? 2/4/2014
New York CPE - *Accounting 1.5*
Yellow Book CPE - *Government Auditing/Environment 1.5*
(Learn Live - Not Provided - Group Internet-Based)

Caseware 1/3/2014
New York CPE - *Specialized Knowledge/App. 3.5*
(EFP Rotenberg LLP - Not Provided - Group Live - In House)

Courses Instructed

None

EFPR Group, LLP

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on March 1, 2016

EFPR GROUP LLP
Certified Public Accountants

Joseph M. Klimek, CPA
Partner

Joe has over 35 years of public accounting experience. He currently functions as a Partner of the Firm and has responsibility for providing audit, accounting and consulting services for numerous governmental organizations.

Joe received a Bachelor of Science degree in Accounting from State University of New York College at Buffalo in 1979. He was licensed in New York State as a Certified Public Accountant in 1983.

Professional Affiliations and Community Affiliations

American Institute of Certified Public Accountants (AICPA)
New York State Society of Certified Public Accountants (NYSSCPA)
**serves on the Government Accounting and Audit Committee*
Government Finance Officers Association
BDO Alliance USA

PRACTICE AREAS
Governmental Accounting
Higher Education
Nonprofit

EDUCATION
SUNY Buffalo – B.S., Accounting, 1979

CONTACT
PHONE (716) 634-0700
FAX (716) 634-0764
E-MAIL
jklimek@efprgroup.com

Klimek, Joseph **Course History Report - All Licenses**

Courses Attended

Governmental and Not-for-Proft Annual Update: FASB Activities and Emerging Issues Affecting Not-for-Proftit Entities 12/23/2015
AICPA CPE - *General 2.5*
New York CPE - *Accounting 1, Auditing 1.5*
Yellow Book CPE - *Government Auditing/Environment 1.5, Professional Proficiency 1*
(AICPA - Self Study)

Applying the Uniform Guidance for Federal Awards in Your Single Audits: Audit Tools and Guidance; Latest Developments 12/21/2015
AICPA CPE - *General 2.5*
New York CPE - *Auditing 2.5*
Yellow Book CPE - *Government Auditing/Environment 2.5*
(AICPA - Self Study)

Forensic Accounting: Engagement; Analytical and Investigative Techniques; Collection and Examination of Documents and Other Corroborating Data 12/21/2015
AICPA CPE - *General 2*
New York CPE - *Taxation 2*
(AICPA - Self Study)

Studies on Single Audit and Yellow Book Deficiencies: Fraud Risk Factors, Audit Sampling, Documentation Dilemmas, and Management Representation Letters 12/16/2015
AICPA CPE - *General 1.5*
New York CPE - *Auditing 1.5*
Yellow Book CPE - *Government Auditing/Environment 1.5*
(AICPA - Self Study)

Single Audits - Uniform Guidance for Federal Awards: Federal Awards; Pass-Through Entities and Subrecipients 12/16/2015
AICPA CPE - *General 1*
New York CPE - *Auditing 1*
Yellow Book CPE - *Government Auditing/Environment 1*
(AICPA - Self Study)

Single Audits - Uniform Guidance for Federal Awards: Reporting Requirements; Common Deficiencies in Single Audits 12/16/2015
AICPA CPE - *General 1.5*
New York CPE - *Auditing 1.5*
Yellow Book CPE - *Government Auditing/Environment 1.5*
(AICPA - Self Study)

Single Audits - Uniform Guidance for Federal Awards: SEFA; Major Program Determination 12/16/2015
AICPA CPE - *General 1.5*
New York CPE - *Auditing 1.5*
Yellow Book CPE - *Government Auditing/Environment 1.5*
(AICPA - Self Study)

Single Audits - Uniform Guidance for Federal Awards: Testing Compliance 12/16/2015
AICPA CPE - *General 1*
New York CPE - *Auditing 1*
Yellow Book CPE - *Government Auditing/Environment 1*
(AICPA - Self Study)

Single Audits - Uniform Guidance for Federal Awards: Using the Compliance Supplement 12/16/2015
AICPA CPE - *General 1.5*
New York CPE - *Auditing 1.5*
Yellow Book CPE - *Government Auditing/Environment 1.5*
(AICPA - Self Study)

Construction Contractors Advanced Issues: Audit Risks of a Contractor 12/16/2015
AICPA CPE - *General 1*
New York CPE - *Auditing 1*
Yellow Book CPE - *Government Auditing/Environment 1*
(AICPA - Self Study)

Governmental and Not-for-Profit Annual Update: Federal Government Activities 12/16/2015
AICPA CPE - *General 1*
New York CPE - *Auditing 1*
Yellow Book CPE - *Government Auditing/Environment 1*
(AICPA - Self Study)

Single Audits - Uniform Guidance for Federal Awards: Administrative Requirements and Costs Principles; Internal Control Over Compliance 12/10/2015
AICPA CPE - *General 1.5*
New York CPE - *Auditing 1.5*
Yellow Book CPE - *Government Auditing/Environment 1.5*
(AICPA - Self Study)

Single Audit Fundamentals Part III: Understanding and Testing Compliance 12/8/2015
AICPA CPE - *General 2*
New York CPE - *Auditing 2*
Yellow Book CPE - *Government Auditing/Environment 2*
(Learn Live - Not Provided - Self Study)

Single Audits - Uniform Guidance for Federal Awards: Comprehending Single Audits 12/7/2015
AICPA CPE - *General 1*
New York CPE - *Auditing 1*
Yellow Book CPE - *Government Auditing/Environment 1*
(AICPA - Self Study)

The Western Holiday Seminar 12/3/2015
AICPA CPE - *General 3*
New York CPE - *Advisory Services 1, Specialized Knowledge/App. 2*
Yellow Book CPE - *Professional Proficiency 2*
(NYS GFOA - Group Live)

Business Development Series 11/16/2015
AICPA CPE - *General 1*
New York CPE - *Specialized Knowledge/App. 1*
(Upstream Academy - Rochester - Group Live - In House)

What is a Single Audit? A Basic Background & Overview 11/12/2015
AICPA CPE - *General 2*
New York CPE - *Auditing 2*
Yellow Book CPE - *Government Auditing/Environment 2*
(Learn Live - Group Internet-Based)

Business Development Series 11/2/2015
AICPA CPE - *General 1*
New York CPE - *Specialized Knowledge/App. 1*
(Upstream Academy - Rochester - Group Live - In House)

Business Development Series 6/26/2015
AICPA CPE - *General 1*
New York CPE - *Specialized Knowledge/App. 1*
(Upstream Academy - Rochester - Group Live - In House)

2015 EBP Update Part III (Accounting & Auditing Update) 4/23/2015
AICPA CPE - *Auditing 2.5*
New York CPE - *Auditing 2.5*

Yellow Book CPE - *Professional Proficiency 2.5*
(LearnLive - Buffalo - Group Internet-Based - In House)

2015 EBP Update Part I 4/16/2015
AICPA CPE - *General 1*
New York CPE - *Auditing 1*
Yellow Book CPE - *Professional Proficiency 1*
(LearnLive - Buffalo - Group Internet-Based - In House)

36th Annual Conference 3/24/2015 - 3/27/2015
AICPA CPE - *General 6*
New York CPE - *Auditing 6*
Yellow Book CPE - *Government Auditing/Environment 6*
(NYS GFOA - Group Live)

Get Audit Ready - Adequate ProActive Preparation Could Save You 2/11/2015
AICPA CPE - *General 1*
New York CPE - *Advisory Services 1*
(The Financial Planning Association of Western New York - Group Live)

Courses Instructed

None

EFPR Group, LLP

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on March 10, 2016

Klimek, Joseph **Course History Report - All Licenses**

Courses Attended

Annual A&A Update 12/16/2014
AICPA CPE - *Accounting 3*
New York CPE - *Accounting 3*
Yellow Book CPE - *Professional Proficiency 3*
(EFP Rotenberg LLP - Buffalo - Group Live - In House)

Accounting Services for Towns, Villages, and Fire Districts 12/2/2014
AICPA CPE - *General 1*
New York CPE - *Accounting 1*
(EFP Rotenberg LLP - Rochester - Group Live - In House)

In-Charge Training 11/21/2014
AICPA CPE - *General 1*
New York CPE - *Specialized Knowledge/App. 1*
(EFP Rotenberg LLP - Buffalo - Group Live - In House)

Real-World Business Ethics 11/21/2014
AICPA CPE - *General 5*
New York CPE - *Ethics 5*
(EFP Rotenberg LLP - Buffalo - Group Live - In House)

Caseware 11/21/2014
AICPA CPE - *General 1*
New York CPE - *Specialized Knowledge/App. 1*
(EFP Rotenberg LLP - Buffalo - Group Live - In House)

AICPA's Annual Update: Top 12 Governmental and Not-for-Profit Accounting and Auditing Issues Facing CPAs 11/21/2014
AICPA CPE - *Accounting 7.5, Auditing 4.5*
New York CPE - *Accounting 7.5, Auditing 4.5*
Yellow Book CPE - *Government Auditing/Environment 12*
(EFP Rotenberg LLP - Buffalo - Group Live - In House)

Annual Updates for Accountants & Auditors 11/21/2014
AICPA CPE - *General 7*
New York CPE - *Accounting 3.5, Auditing 3.5*
(EFP Rotenberg LLP - Buffalo - Group Live - In House)

County Audit Template Tranining 4/9/2014
AICPA CPE - *General 3*
New York CPE - *Auditing 3*
Yellow Book CPE - *Government Auditing/Environment 3*
(EFP Rotenberg LLP - Not Provided - Group Live - In House)

Maximizing Municipal Revenue Opportunities 4/4/2014
AICPA CPE - *General 1*
New York CPE - *Specialized Knowledge/App. 1*
Yellow Book CPE - *Government Auditing/Environment 1*
(NYS GFOA - Group Live)

The Affordable Health Care Act-What it Means to Local Govt Tomorrow Pt 2 4/3/2014
AICPA CPE - *General 1*
New York CPE - *Specialized Knowledge/App. 1*
Yellow Book CPE - *Government Auditing/Environment 1*
(NYS GFOA - Group Live)

Single Audit Training 3/15/2014

AICPA CPE - *Auditing 1.5*
Adjusted Credits - General 1.5
New York CPE - *Auditing 1.5*
Adjusted Credits - Auditing 4.5
Yellow Book CPE - *Government Auditing/Environment 1.5*
Adjusted Credits - Government Auditing/Environment 4.5
(EFP Rotenberg LLP - Not Provided - Group Live - In House)

Caseware 1/3/2014
AICPA CPE - *General 3.5*
New York CPE - *Specialized Knowledge/App. 3.5*
(EFP Rotenberg LLP - Not Provided - Group Live - In House)

Courses Instructed

Studies on Single Audits and Yellow Book Deficiencies 11/21/2014
AICPA CPE - *General 8*
In-House Instructor Credits - [No Credits]
New York CPE - *Auditing 8*
In-House Instructor Credits - [No Credits]
Yellow Book CPE - *Government Auditing/Environment 8*
In-House Instructor Credits - [No Credits]
(EFP Rotenberg LLP - Buffalo - Group Live - In House)

EFPR Group, LLP

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EFPR GROUP LLP
Certified Public Accountants

Joseph J. Kehm, CPA, CGMA
Partner

Joe has over 35 years of public accounting experience. He currently functions as a Partner of the Firm and has responsibility for providing audit, accounting and consulting services for numerous governmental organizations.

Joe received a Bachelor of Science degree in Accounting from St. John Fisher College in 1980. He was licensed in New York State as a Certified Public Accountant in 1982 and the State of Virginia in 2004. He is also a Chartered Global Management Accountant.

Professional Affiliations and Community Affiliations
American Institute of Certified Public Accountants (AICPA)
Virginia Society of Certified Public Accountants
New York State Association of School Business Officials
Government Finance Officers Association
BDO Alliance USA

PRACTICE AREAS
Governmental Accounting
Higher Education
Nonprofit

EDUCATION
St. John Fisher College – B.S., Accounting, 1980, Magna Cum Laude

CONTACT
PHONE (585) 340-5178
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EFPR GROUP LLP
Certified Public Accountants

Kristie M. Beach, CPA
Director

Kristie has over 12 years of public accounting experience. She currently functions as a Director of the Firm and has responsibility for providing audit, accounting and consulting services for numerous governmental organizations.

Kristie received a Bachelor of Science degree in Accounting from State University of New York College at Geneseo. She was licensed in New York State as a Certified Public Accountant in 2006.

Professional Affiliations and Community Affiliations

American Institute of Certified Public Accountants (AICPA)
New York State Society of Certified Public Accountants (NYSSCPA)
Rochester Hearing and Speech Center, *Chair of the Board of Directors, Executive Committee Member and Finance Committee Member*
Al Sigl Community of Agencies, *Board Member and Audit Committee Chair*
Geneseo Alumni Connections Council

PRACTICE AREAS
Governmental Accounting
Nonprofit

EDUCATION
SUNY Geneseo – B.S., Accounting

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PHONE (585) 340-5144
FAX (585) 340-5244
E-MAIL
kbeach@efprgroup.com

EFPR GROUP
Certified Public Accountants

Brent M. Jensen, CPA
Director

Brent has over nine years of public accounting experience. He currently functions as a Director of the Firm and has responsibility for providing audit, accounting and consulting services for numerous governmental organizations.

Brent received a Bachelor of Science degree in Accounting from State University of New York College at Buffalo in 2006. He was licensed in New York State as a Certified Public Accountant in 2013.

Professional Affiliations and Community Affiliations

American Institute of Certified Public Accountants (AICPA)
New York State Society of Certified Public Accountants (NYSSCPA)
BDO Alliance USA

PRACTICE AREAS
Governmental Accounting
Higher Education

EDUCATION
SUNY Buffalo – B.S., Accounting, 2006

CONTACT
PHONE (716) 634-0700
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E-MAIL
bjensen@efprgroup.com

EFPR GROUP LLP
Certified Public Accountants

John S. Costilow, CPA
Manager

John has over nine years of public accounting experience. He currently functions as a Manager of the Firm and has responsibility for providing audit, accounting and consulting services for numerous governmental organizations.

John received a Bachelor of Science degree in Accounting from State University of New York College at Buffalo in 2006. He was licensed in New York State as a Certified Public Accountant in 2008.

Professional Affiliations and Community Affiliations

American Institute of Certified Public Accountants (AICPA)
New York State Society of Certified Public Accountants (NYSSCPA)
BDO Alliance USA

PRACTICE AREAS
Governmental Accounting
Higher Education

EDUCATION
SUNY Buffalo – B.S., Accounting, 2006

CONTACT
PHONE (716) 634-0700
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E-MAIL
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Costilow, John **Course History Report - All Licenses**

Courses Attended

Single Audits - Uniform Guidance for Federal Awards: Federal Awards; Pass-Through Entities and Subrecipients 12/18/2015
New York CPE - *Auditing 1*
Yellow Book CPE - *Government Auditing/Environment 1*
(AICPA - Self Study)

Governmental Accounting and Reporting: Preparing the Government-Wide Financial Statements 12/18/2015
New York CPE - *Accounting 3*
Yellow Book CPE - *Professional Proficiency 3*
(AICPA - Self Study)

AICPA's Annual Update: Top Governmental and Not-for-Profit Accounting and Auditing Issues Facing CPAs: GASB Statement No. 67: Financial Reporting for Pension Plans 12/18/2015
New York CPE - *Accounting 1.5*
Yellow Book CPE - *Professional Proficiency 1.5*
(AICPA - Self Study)

Introduction to Business Valuation: Data Analysis 12/18/2015
New York CPE - *Specialized Knowledge/App. 2.5*
(AICPA - Self Study)

Introduction to Business Valuation: Overview and Getting Started 12/18/2015
New York CPE - *Specialized Knowledge/App. 1.5*
(AICPA - Self Study)

Introduction to Business Valuation: Data Gathering 12/18/2015
New York CPE - *Specialized Knowledge/App. 1.5*
(AICPA - Self Study)

Business Development Series 12/18/2015
New York CPE - *Specialized Knowledge/App. 1*
(Upstream Academy - Rochester - Group Live - In House)

Introduction, Planning, Schedule of Expenditures and Awards 12/17/2015
New York CPE - *Auditing 2*
Yellow Book CPE - *Government Auditing/Environment 2*
(AICPA - Self Study)

Case Studies in Not-for-Profit Accounting and Auditing: Net Asset Classifications, Promises to Give, Distinguishing Contributions from Exchange Transactions 12/11/2015
New York CPE - *Accounting 1.5*
Yellow Book CPE - *Professional Proficiency 1.5*
(AICPA - Self Study)

Case Studies in Not-for-Profit Accounting and Auditing: Internal Control Deficiencies, Statement of Functional Expenses, Recent Issues 12/11/2015
New York CPE - *Auditing 1.5*
Yellow Book CPE - *Government Auditing/Environment 1.5*
(AICPA - Self Study)

Frequent Frauds Found in Governments and Not-for-Profits: Fictitious Employees & Misappropriation of Assets 12/11/2015
New York CPE - *Auditing 1*
Yellow Book CPE - *Government Auditing/Environment 1*
(AICPA - Self Study)

Governmental Accounting and Reporting: Government Reporting 12/11/2015
New York CPE - *Accounting 3.5*
Yellow Book CPE - *Government Auditing/Environment 3.5*
(AICPA - Self Study)

Fundamentals of Government Accounting and Reporting: Government-Wide Financial Statements 12/10/2015
New York CPE - *Accounting 1.5*
Yellow Book CPE - *Government Auditing/Environment 1.5*
(AICPA - Self Study)

Governmental Accounting and Reporting: Elements of Governmental Accounting 12/10/2015
New York CPE - *Accounting 3.5*
Yellow Book CPE - *Professional Proficiency 3.5*
(AICPA - Self Study)

Reporting Requirements; The Current OMB A-133 Environment 12/10/2015
New York CPE - *Accounting 2*
Yellow Book CPE - *Government Auditing/Environment 2*
(AICPA - Self Study)

Nonprofit Entity Risk Management - How to Manage Risk to Ensure Success 11/11/2015
New York CPE - *Specialized Knowledge/App. 2*
(LearnLive - Buffalo - Group Internet-Based - In House)

Business Development Series 11/2/2015
New York CPE - *Specialized Knowledge/App. 1*
(Upstream Academy - Rochester - Group Live - In House)

Business Development Series 8/28/2015
New York CPE - *Specialized Knowledge/App. 1*
(Upstream Academy - Rochester - Group Live - In House)

EBP Update Training 6/26/2015
New York CPE - *Auditing 2*
Yellow Book CPE - *Professional Proficiency 2*
(EFP Rotenberg LLP - Rochester - Group Live - In House)

EBP Basic Training 6/26/2015
New York CPE - *Auditing 1*
Yellow Book CPE - *Professional Proficiency 1*
(EFP Rotenberg LLP - Rochester - Group Live - In House)

Rethinking Risk to Build a Better Investment Portfolio for NFPs - Investment, Accounting and Tax Considerations 6/11/2015
New York CPE - *Accounting 1, Taxation 1*
Yellow Book CPE - *Professional Proficiency 1*
(LearnLive - Buffalo - Group Internet-Based - In House)

Measuring and Monitoring Program Impact and Outcomes - What You Need to Know! 5/7/2015
New York CPE - *Specialized Knowledge/App. 2*
(LearnLive - Buffalo - Group Internet-Based - In House)

2015 EBP Update Part I 4/16/2015
New York CPE - *Auditing 1*
Yellow Book CPE - *Professional Proficiency 1*
(LearnLive - Rochester - Group Live - In House)

NFP Fraud - It could happen to your Organization!! 3/19/2015
New York CPE - *Auditing 2*
Yellow Book CPE - *Government Auditing/Environment 2*
(LearnLive - Rochester - Group Internet-Based)

Courses Instructed

None

EFPR Group, LLP

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Costilow, John **Course History Report - All Licenses**

Courses Attended

Annual A&A Update 12/16/2014
New York CPE - *Accounting 3*
Yellow Book CPE - *Professional Proficiency 3*
(EFP Rotenberg LLP - Buffalo - Group Live - In House)

In-Charge Training 11/21/2014
New York CPE - *Specialized Knowledge/App. 1*
(EFP Rotenberg LLP - Buffalo - Group Live - In House)

Real-World Business Ethics 11/21/2014
New York CPE - *Ethics 5*
(EFP Rotenberg LLP - Buffalo - Group Live - In House)

Studies on Single Audits and Yellow Book Deficiencies 11/21/2014
New York CPE - *Auditing 8*
Yellow Book CPE - *Government Auditing/Environment 8*
(EFP Rotenberg LLP - Buffalo - Group Live - In House)

Annual Updates for Accountants & Auditors 11/21/2014
New York CPE - *Accounting 3.5, Auditing 3.5*
(EFP Rotenberg LLP - Buffalo - Group Live - In House)

Caseware 11/21/2014
New York CPE - *Specialized Knowledge/App. 1*
(EFP Rotenberg LLP - Buffalo - Group Live - In House)

BDO Knowledge - Revenue Recognition: Overview of New ASU 2014-09 7/15/2014
New York CPE - *Accounting 2*
(Learn Live - Not Provided - Group Internet-Based)

Caseview & XCM Training 7/9/2014
New York CPE - *Specialized Knowledge/App. 1.5*
(EFP Rotenberg LLP - Not Provided - Group Live - In House)

BDO Knowledge - Quarterly Technical Update Q2 2014 7/9/2014
New York CPE - *Accounting 1*
Yellow Book CPE - *Professional Proficiency 1*
(Learn Live - Not Provided - Group Internet-Based)

QC Update Training 6/13/2014
New York CPE - *Auditing 1*
Yellow Book CPE - [No Credits]
Adjusted Credits - [No Credits]
(EFP Rotenberg LLP - Not Provided - Group Live - In House)

County Audit Template Tranining 4/9/2014
New York CPE - *Auditing 3*
Yellow Book CPE - *Government Auditing/Environment 3*
(EFP Rotenberg LLP - Not Provided - Group Live - In House)

Single Audit Training 3/15/2014
New York CPE - *Auditing 1.5*
Yellow Book CPE - *Government Auditing/Environment 1.5*
(EFP Rotenberg LLP - Not Provided - Group Live - In House)

Courses Instructed

AICPA's Annual Update: Top 12 Governmental and Not-for-Profit Accounting and Auditing Issues Facing CPAs 11/21/2014

New York CPE - *Accounting 7.5, Auditing 4.5*

In-House Instructor Credits - Accounting 7.5, Auditing 4.5

Yellow Book CPE - *Government Auditing/Environment 12*

In-House Instructor Credits - Government Auditing/Environment 12

(EFP Rotenberg LLP - Buffalo - Group Live - In House)

EFPR Group, LLP

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on March 23, 2016

EFPR GROUP LLP
Certified Public Accountants

Thomas E. Smith, CPA
Supervisor

Tom has over four years of public accounting experience. He currently functions as a Supervisor of the Firm and has responsibility for providing audit, accounting and consulting services for numerous governmental organizations.

Tom received a Bachelor of Science degree in Accounting from State University of New York College at Buffalo in 2011 and a Master of Business Administration degree in Accounting from State University of New York College at Buffalo in 2012. He was licensed in New York State as a Certified Public Accountant in 2014.

Professional Affiliations and Community Affiliations

American Institute of Certified Public Accountants (AICPA)
New York State Society of Certified Public Accountants (NYSSCPA)
BDO Alliance USA

PRACTICE AREAS
Governmental Accounting
Higher Education

EDUCATION
SUNY Buffalo – B.S., Accounting, 2011
SUNY Buffalo - M.B.A., Accounting, 2012

CONTACT
PHONE (716) 634-0700
FAX (716) 634-0764
E-MAIL
tsmith@efprgroup.com

Smith, Thomas **Course History Report - All Licenses**

Courses Attended

Frequent Frauds Found in Governments and Not-for-Profits: Personnel Fraud & Grant Expense Allocations 12/21/2015
New York CPE - *Auditing 1*
Yellow Book CPE - *Government Auditing/Environment 1*
(AICPA - Self Study)

Case Studies in Not-for-Profit Accounting and Auditing: Internal Control Deficiencies, Statement of Functional Expenses, Recent Issues 12/21/2015
New York CPE - *Auditing 1.5*
Yellow Book CPE - *Government Auditing/Environment 1.5*
(AICPA - Self Study)

Frequent Frauds Found in Governments and Not-for-Profits: Donated Assets, Procurement Cards & Overtime Fraud 12/21/2015
New York CPE - *Auditing 1.5*
Yellow Book CPE - *Government Auditing/Environment 1.5*
(AICPA - Self Study)

Real-World Business Ethics: Incisive Lasers Corporation - You Are the Outside Attorney for the Controller 12/21/2015
New York CPE - *Ethics (Advisory Services) 1*
(AICPA - Self Study)

AHI Supervisory Staff Training 12/14/2015 - 12/16/2015
[No Credits]
(AHI - Rochester - Group Live - In House)

Case Studies in Not-for-Profit Accounting and Auditing: Financial Statement Requirements, Consideration of Fraud, Auditing Contriubtions 12/10/2015
New York CPE - *Auditing 2*
Yellow Book CPE - *Government Auditing/Environment 2*
(AICPA - Self Study)

Governmental Accounting and Reporting: Preparing the Government-Wide Financial Statements, Footnote Discosures and Other Information 12/9/2015
New York CPE - *Accounting 2*
Yellow Book CPE - *Professional Proficiency 2*
(AICPA - Self Study)

Fundamentals of Government Accounting and Reporting: Budgeting 12/9/2015
New York CPE - *Accounting 1*
Yellow Book CPE - *Professional Proficiency 1*
(AICPA - Self Study)

Case Studies in Not-for-Profit Accounting and Auditing: Net Asset Classifications, Promises to Give, Distinguishing Contributions from Exchange Transactions 12/8/2015
New York CPE - *Accounting 1.5*
Yellow Book CPE - *Professional Proficiency 1.5*
(AICPA - Self Study)

Auditing Prepaids 12/4/2015
New York CPE - *Auditing 1*
Yellow Book CPE - *Professional Proficiency 1*
(Learn Live - Self Study)

Auditing Accounts Payable and Accrued Expenses 12/4/2015

New York CPE - *Auditing 1*
Yellow Book CPE - *Professional Proficiency 1*
(Learn Live - Self Study)

Auditing Journal Entries 12/3/2015
New York CPE - *Auditing 2.5*
Yellow Book CPE - *Professional Proficiency 2.5*
(Learn Live - Self Study)

Audit Effectiveness 12/3/2015
New York CPE - *Auditing 1*
Yellow Book CPE - *Professional Proficiency 1*
(Learn Live - Self Study)

Auditing Payroll 11/20/2015
New York CPE - *Auditing 3*
Yellow Book CPE - *Professional Proficiency 3*
(Learn Live - Not Provided - Self Study)

Debt - Basic Accounting, Auditing and Reporting 11/20/2015
New York CPE - *Auditing 2*
Yellow Book CPE - *Professional Proficiency 2*
(Learn Live - Self Study)

Business Development Series 11/16/2015
New York CPE - *Specialized Knowledge/App. 1*
(Upstream Academy - Rochester - Group Live - In House)

Substantive Analytical Procedures (SAPs) 11/10/2015
New York CPE - *Auditing 2.5*
Yellow Book CPE - *Professional Proficiency 2.5*
(Learn Live - Not Provided - Group Live)

Auditing Accounts Receivable 11/10/2015
New York CPE - *Accounting 0.5, Auditing 0.5*
Yellow Book CPE - *Professional Proficiency 1*
(Learn Live - Self Study)

Revenue Recognition and Auditing Revenue Basic 11/10/2015
New York CPE - *Auditing 1*
Yellow Book CPE - *Professional Proficiency 1*
(Learn Live - Not Provided - Self Study)

The 2011 Revised Government Auditing Standards 11/10/2015
New York CPE - *Accounting 1*
Yellow Book CPE - *Professional Proficiency 1*
(Learn Live - Self Study)

Auditing Cash 11/10/2015
New York CPE - *Auditing 1*
Yellow Book CPE - *Professional Proficiency 1*
(Learn Live - Self Study)

Performing a Preliminary Analytical Review 11/6/2015
New York CPE - *Auditing 1*
Yellow Book CPE - *Professional Proficiency 1*
(Learn Live - Self Study)

Nonprofit & Education: Fraud Overview 11/6/2015
New York CPE - *Auditing 1.5*
Yellow Book CPE - *Government Auditing/Environment 1.5*

(Learn Live - Not Provided - Self Study)

Single Audit Fundamentals Part IV: Overview of Single Audit Reporting Requirements and Available Resources 11/6/2015
New York CPE - *Auditing 1*
Yellow Book CPE - *Government Auditing/Environment 1*
(Learn Live - Not Provided - Self Study)

Single Audit Fundamentals Part I: Basic Background and Overview of the Single Audit 11/5/2015
New York CPE - *Auditing 1*
Yellow Book CPE - *Government Auditing/Environment 1*
(Learn Live - Not Provided - Self Study)

Single Audit Fundamentals Part II: Understanding Major Program Determination 11/5/2015
New York CPE - *Auditing 1*
Yellow Book CPE - *Government Auditing/Environment 1*
(Learn Live - Not Provided - Self Study)

Single Audit Fundamentals Part III: Understanding and Testing Compliance 11/5/2015
New York CPE - *Auditing 2*
Yellow Book CPE - *Government Auditing/Environment 2*
(Learn Live - Not Provided - Self Study)

Business Development Series 11/2/2015
New York CPE - *Specialized Knowledge/App. 1*
(Upstream Academy - Rochester - Group Live - In House)

EBP Update Training 6/26/2015
New York CPE - *Auditing 2*
Yellow Book CPE - *Professional Proficiency 2*
(EFP Rotenberg LLP - Rochester - Group Live - In House)

Business Development Series 6/26/2015
New York CPE - *Specialized Knowledge/App. 1*
(Upstream Academy - Rochester - Group Live - In House)

Courses Instructed

None

EFPR Group, LLP

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on March 1, 2016

Smith, Thomas **Course History Report - All Licenses**

Courses Attended

Annual A&A Update 12/16/2014
New York CPE - *Accounting 3*
Yellow Book CPE - *Professional Proficiency 3*
(EFP Rotenberg LLP - Buffalo - Group Live - In House)

Accounting Services for Towns, Villages, and Fire Districts 12/2/2014
New York CPE - *Accounting 1*
(EFP Rotenberg LLP - Rochester - Group Live - In House)

In-Charge Training 11/21/2014
New York CPE - *Specialized Knowledge/App. 1*
(EFP Rotenberg LLP - Buffalo - Group Live - In House)

Studies on Single Audits and Yellow Book Deficiencies 11/21/2014
New York CPE - *Auditing 8*
Yellow Book CPE - *Government Auditing/Environment 8*
(EFP Rotenberg LLP - Buffalo - Group Live - In House)

Caseware 11/21/2014
New York CPE - *Specialized Knowledge/App. 1*
(EFP Rotenberg LLP - Buffalo - Group Live - In House)

AHI Beginning-In-Charge Staff Training 11/10/2014 - 11/12/2014
New York CPE - *Auditing 17, Specialized Knowledge/App. 7*
Yellow Book CPE - *Professional Proficiency 17*
(AHI - Rochester - Group Live - In House)

Caseview & XCM Training 7/9/2014
New York CPE - *Specialized Knowledge/App. 1.5*
(EFP Rotenberg LLP - Not Provided - Group Live - In House)

QC Update Training 6/13/2014
New York CPE - *Auditing 1*
Yellow Book CPE - [No Credits]
Adjusted Credits - [No Credits]
(EFP Rotenberg LLP - Not Provided - Group Live - In House)

Single Audit Training 3/15/2014
New York CPE - *Auditing 1.5*
Yellow Book CPE - *Government Auditing/Environment 1.5*
(EFP Rotenberg LLP - Not Provided - Group Live - In House)

Courses Instructed

Real-World Business Ethics 11/21/2014
New York CPE - *Ethics 5*
In-House Instructor Credits - Ethics 5
(EFP Rotenberg LLP - Buffalo - Group Live - In House)

EFPR Group, LLP

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on March 1, 2016

EFPR GROUP LLP
Certified Public Accountants

Matthew DuBois
Supervisor

Matt has over three years of public accounting experience. He currently functions as a Supervisor of the Firm and has responsibility for providing audit, accounting and consulting services for numerous governmental organizations.

Matt received a Bachelor of Science degree in Accounting from Canisius College in 2011.

Professional Affiliations and Community Affiliations
BDO Alliance USA

PRACTICE AREAS
Governmental Accounting
Higher Education

EDUCATION
Canisius College - B.S., Accounting, 2011

CONTACT
PHONE (716) 634-0700
FAX (716) 634-0764
E-MAIL
mdubois@efprgroup.com

DuBois, Matthew **Course History Report - All Licenses**

Courses Attended

Auditing Payroll 12/31/2015
EFP Rotenberg LMS - *General 3*
Yellow Book CPE - *Professional Proficiency 3*
(Learn Live - Not Provided - Self Study)

Auditing Journal Entries 12/30/2015
EFP Rotenberg LMS - *General 2.5*
Yellow Book CPE - *Professional Proficiency 2.5*
(Learn Live - Self Study)

Related Party Transactions 2015 PDM 12/29/2015
EFP Rotenberg LMS - *General 1.5*
Yellow Book CPE - *Professional Proficiency 1.5*
(Learn Live - Self Study)

P&L Testing Strategies 12/28/2015
EFP Rotenberg LMS - *General 2.5*
Yellow Book CPE - *Professional Proficiency 2.5*
(Learn Live - Self Study)

Single Audit Fundamentals Part IV: Overview of Single Audit Reporting Requirements and Available Resources 12/28/2015
EFP Rotenberg LMS - *General 1*
Yellow Book CPE - *Government Auditing/Environment 1*
(Learn Live - Not Provided - Self Study)

AHI Beginning-In-Charge Staff Training 12/9/2015 - 12/11/2015
EFP Rotenberg LMS - *General 24*
Yellow Book CPE - *Professional Proficiency 17*
(AHI - Rochester - Group Live - In House)

Single Audit Fundamentals Part III: Understanding and Testing Compliance 12/8/2015
EFP Rotenberg LMS - *General 2*
Yellow Book CPE - *Government Auditing/Environment 2*
(Learn Live - Not Provided - Self Study)

Single Audit Fundamentals Part II: Understanding Major Program Determination 12/8/2015
EFP Rotenberg LMS - *General 1*
Yellow Book CPE - *Government Auditing/Environment 1*
(Learn Live - Not Provided - Self Study)

Single Audit Fundamentals Part I: Basic Background and Overview of the Single Audit 12/7/2015
EFP Rotenberg LMS - *General 1*
Yellow Book CPE - *Government Auditing/Environment 1*
(Learn Live - Not Provided - Self Study)

EBP Update Training 6/26/2015
EFP Rotenberg LMS - *General 2*
Yellow Book CPE - *Professional Proficiency 2*
(EFP Rotenberg LLP - Rochester - Group Live - In House)

Courses Instructed

None

EFPR Group, LLP

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DuBois, Matthew **Course History Report - All Licenses**

Courses Attended

Annual A&A Update 12/16/2014
EFP Rotenberg LMS - *General 3*
Yellow Book CPE - *Professional Proficiency 3*
(EFP Rotenberg LLP - Buffalo - Group Live - In House)

Accounting Services for Towns, Villages, and Fire Districts 12/2/2014
EFP Rotenberg LMS - *General 1*
(EFP Rotenberg LLP - Rochester - Group Live - In House)

Real-World Business Ethics 11/21/2014
EFP Rotenberg LMS - *General 5*
(EFP Rotenberg LLP - Buffalo - Group Live - In House)

Studies on Single Audits and Yellow Book Deficiencies 11/21/2014
EFP Rotenberg LMS - *General 8*
Yellow Book CPE - *Government Auditing/Environment 8*
(EFP Rotenberg LLP - Buffalo - Group Live - In House)

AHI Semi-Senior Staff Training 10/27/2014 - 10/29/2014
EFP Rotenberg LMS - *General 24*
Yellow Book CPE - *Professional Proficiency 17*
(AHI - Rochester - Group Live - In House)

Caseview & XCM Training 7/9/2014
EFP Rotenberg LMS - *General 1.5*
(EFP Rotenberg LLP - Not Provided - Group Live - In House)

Single Audit Training 3/15/2014
EFP Rotenberg LMS - *General 1.5*
Yellow Book CPE - *Government Auditing/Environment 1.5*
(EFP Rotenberg LLP - Not Provided - Group Live - In House)

Courses Instructed

None

EFPR Group, LLP

Generated by CE MANAGER

on April 13, 2016

Appendix B

Partial Government Client List

PARTIAL LISTING OF GOVERNMENTAL
ORGANIZATIONS WHICH ARE OUR CLIENTS

Agriculture and New York State Horse Breeding Development Fund
* Amsterdam Housing Authority
* Athens Area School District
Athens Township
Barnard Fire District
* Berkshire Union Free School District
Blind Brook-Rye Union Free School District
Borough of Sayre
Borough of South Waverly
Borough of Wyalusing
* Brentwood Union Free School District
Brighton Fire District
Broome County Tobacco Asset Securitization Corporation
Carmel Central School District
Cayuga County Health Insurance Consortium
Cayuga Tobacco Asset Securitization Corporation
Chemung County Capital Resource Corporation
Chemung Tobacco Asset Securitization Corporation
City of Buffalo Police Department
City of Buffalo Urban Renewal Agency
City of Dunkirk Housing Authority
* City of Oneonta Housing Authority
City University of New York (CUNY)
* County of Allegany
* County of Chemung
* County of Columbia
* County of Delaware
* County of Lewis
* County of Madison
* County of Ontario
* County of Orleans
* County of Saratoga
Deferred Compensation Plan for the Employees of Delaware County
Deferred Compensation Plan for the Employees of Erie County
Deferred Compensation Plan for the Employees of Lewis County
Deferred Compensation Plan for the Employees of Ontario County
Deferred Compensation Plan for the Employees of the Town of Bethlehem

* Audit conducted in compliance with the provisions of Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (formerly OMB Circular A-133).

PARTIAL LISTING OF GOVERNMENTAL
ORGANIZATIONS WHICH ARE OUR CLIENTS

Deferred Compensation Plan for the Employees of the Town of Huntington
Dental Care Center State University of New York at Stony Brook
East Bloomfield-Holcomb Fire District
* East Hampton Union Free School District
* Evans-Brant Central School District
Fire District No. 1 - Town of Elmira
Fire District No. 3 of the Town of Plattsburgh
Fishers Fire District
Genesee Tobacco Asset Securitization Corporation
* Geneva Housing Authority
* Glen Cove Industrial Development Agency
* Glen Cove Community Development Agency
GLOW Region Solid Waste Management
Greenwood Lake Joint Fire District
* Harlem Community Development Corporation
Henrietta Fire District
* Herkimer Housing Authority
* Hudson River Park Trust
* Ithaca Housing Authority
LeRoy Fire District
Livingston County Capital Resource Corporation
Livingston County Development Corporation
Livingston County Industrial Development Agency
* Lower Manhattan Development Corporation
Monroe County Soil and Water Conservation District
New York City Department for the Aging
New York City Department of Citywide Administrative Services
New York City Human Resources Administration
New York City Tax Lien Trusts (five trusts)
* New York Convention Center Development Corporation
* New York Empowerment Zone Corporation
* New York Job Development Authority
New York State Assembly
New York State Affordable Housing Corporation
New York State Bridge Authority
New York State Department of Transportation
* New York State Division of the Budget

* Audit conducted in compliance with the provisions of Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (formerly OMB Circular A-133).

PARTIAL LISTING OF GOVERNMENTAL
ORGANIZATIONS WHICH ARE OUR CLIENTS

New York State Executive Chamber
New York State Fair
New York State Homeless Housing Assistance Corporation
New York State Legislative Bill Drafting Commission
New York State Office for People With Developmental Disabilities
New York State Office of Alcoholism and Substance Abuse Services
New York State Office of the State Comptroller
New York State Office of General Services
New York State Senate
New York State Thoroughbred Breeding and Development Fund
New York State Unified Court System
* New York State Urban Development Corporation
* Newark Housing Authority
* Newark Valley Central School District
* Niagara Falls Housing Authority
* Niagara Falls Water Board
Niagara Wheatfield Central School District
* Ogdensburg Bridge and Port Authority
Ontario County Industrial Development Agency
* Orleans County Industrial Development Agency
Pine Hill Fire District No. 5
Quassaick Bridge Fire District
Remsenburg-Speonk Union Free School District
* Rhinebeck Central School District
Ridge Culver Fire District
* Rome Housing Authority
* Roosevelt Island Operating Corporation
* Sachem Central School District
Sayre Public Library
* Scarsdale Union Free School District
* Schenectady Municipal Housing Authority
* Seneca Nation Housing Authority
South Waverly Municipal Authority
Starpoint Central School District
Steuben County Economic Development Corporation
Steuben County Industrial Development Agency
* Syracuse Housing Authority

* Audit conducted in compliance with the provisions of Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (formerly OMB Circular A-133).

PARTIAL LISTING OF GOVERNMENTAL
ORGANIZATIONS WHICH ARE OUR CLIENTS

* Three Village Central School District
Tioga County Soil & Water Conservation District
Tobacco Settlement Financing Corporation
Town of Alexandria
Town of Avon
Town of Bergen
Town of Canandaigua
* Town of Campbell
Town of Clarkson
Town of Elmira
Town of Erwin
Town of Gates
* Town of Hannibal
Town of Lumberland
* Town of Malta
Town of Middletown
Town of Milton
* Town of North Elba
Town of Patterson
Town of Sheshequin
* Town of Sterling
Town of Ulster
Trust for Cultural Resources of the City of New York
* Ulster County Community College
University at Albany Athletics Department
Valley Joint Sewer Authority
* Vernon-Verona-Sherrill Central School District
Village of Arkport
Village of Bergen
* Village of Canajoharie
Village of Clayton
Village of Cold Spring
* Village of Delhi
* Village of Greenwich
Village of Montebello
Village of Waterford
Village of Waverly

* Audit conducted in compliance with the provisions of Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (formerly OMB Circular A-133).

PARTIAL LISTING OF GOVERNMENTAL
ORGANIZATIONS WHICH ARE OUR CLIENTS

Walworth Fire District No. 1
* Warwick Valley Central School District
Washingtonville Central School District
Water Authority of Great Neck North
* Watershed Agricultural Council of the New York City Watersheds, Inc.
* Watertown Housing Authority
Wayne County Civic Facility Development Corporation
Wayne County Industrial Development Agency
West Genesee Central School District
* William Floyd Union Free School District
Williamsville Central School District
Wilton Fire District
Wyalusing Municipal Authority

* Audit conducted in compliance with the provisions of Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (formerly OMB Circular A-133).

Appendix C

Peer Review Letters of Predecessor Firms

Tax // Audit & Attestation // Consulting // Planning

DELUZIO & COMPANY, LLP

351 Harvey Avenue, Suite A
Greensburg, PA 15601-1911
724 838 8322
www.DeluzioCPA.com

Charles A. Deluzio, CPA
Jeffrey P. Anzovino, CPA, MSA
Joseph E. Petrillo, CPA
Stacey A. Sanders, CPA, CSEP
Lisa M. Altschaffl, CPA

SYSTEM REVIEW REPORT

June 11, 2014

To the Shareholders of Toski & Company P.C.
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Toski & Company P.C. (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended November 30, 2013. 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. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. 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. 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. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Toski & Company P.C. applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended November 30, 2013, 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*. Toski & Company P.C. has received a peer review rating of *pass*.

Deluzio & Company LLP

Deluzio & Company LLP

Tax // Audit & Attestation // Consulting // Planning

DELUZIO & COMPANY, LLP

351 Harvey Avenue, Suite A
Greensburg, PA 15601-1911
724 838 8322
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Charles A. Deluzio, CPA
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Joseph E. Petrillo, CPA
Stacey A. Sanders, CPA, CSEP
Lisa M. Altschaffl, CPA

SYSTEM REVIEW REPORT

June 11, 2014

To the Partners of EFP Rotenberg LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of EFP Rotenberg LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended November 30, 2013. 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. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. 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. 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. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*, audits of employee benefit plans and examinations of service organizations (Service Organization Control [SOC] 1) engagement.

In our opinion, the system of quality control for the accounting and auditing practice of EFP Rotenberg LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended November 30, 2013, 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*. EFP Rotenberg LLP has received a peer review rating of *pass*.

Deluzio & Company LLP

Deluzio & Company LLP

Appendix D

Required Forms

DRUG-FREE WORKPLACE FORM

The undersigned vendor in accordance with Florida Statute 287.087 hereby certifies that

EFPR Group, CPAs, PLLC does:
(Name of Business)

1. Publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violations of such prohibition.

2. Inform employees about the dangers of drug abuse in the workplace, the business's policy of maintaining a drug-free workplace, any available drug counseling, rehabilitation, and employee assistance programs, and the penalties that may be imposed upon employees for the drug abuse violations.

3. Give each employee engaged in providing the commodities or contractual services that are under bid a copy of the statement specified in subsection (1).

4. In the statement specified in subsection (1), notify the employees that, as a condition of working on the commodities or contractual services that are under bid, the employee will abide by the terms of the statement and will notify the employer of any conviction of, or plea of guilty or nolo contendere to, any violation of Chapter 893 or of any controlled substance law of the United States or any state, for a violation occurring in the workplace no later than five (5) days after such conviction.

5. Impose a sanction on, or require the satisfactory participation in a drug abuse assistance or rehabilitation program if such is available in the employee's community, by any employee who is so convicted.

6. Make a good faith effort to continue to maintain a drug-free workplace through implementation of this section.

As the person authorized to sign the statement, I certify that this firm complies fully with the above requirements.

Bidder's Signature

October 24, 2016
Date

CITY OF GAINESVILLE

CERTIFICATION OF COMPLIANCE WITH LIVING WAGE

The undersigned hereby agrees to comply with the terms of the Living Wage Ordinance and to pay all covered employees, as defined by City of Gainesville Ordinance 020663 as amended at 030168 (Living Wage Ordinance), during the time they are directly involved in providing covered services under the contract with the City of Gainesville for Professional Auditing Services a living wage of $N/A per hour to covered employees who receive Health Benefits from the undersigned employer and $_____ per hour to covered employees not offered health care benefits by the undersigned employer.

Name of Service Contractor/Subcontractor: EFPR Group, CPAs, PLLC

Address: 1061 E. Indiantown Road, Suite 104, Jupiter, Florida 33477

Phone Number: (561) 746-0999

Name of Local Contact Person Douglas E. Zimmerman, CPA

Address: 1061 E. Indiantown Road, Suite 104, Jupiter, Florida 33477

Phone Number: (561) 746-0999

$ 693,300
(Amount of Contract)

Signature: _____ Date: October 24, 2016

Printed Name: Douglas E. Zimmerman, CPA

Title: Partner, Chief Operating Officer

LIVING WAGE COMPLIANCE

See Living Wage Decision Tree (Exhibit C hereto)

Check one:

[X] Living Wage Ordinance does not apply
(check all that apply)

- [X] Not a covered service
- [ ] Contract does not exceed $100,000
- [ ] Not a for-profit individual, business entity, corporation, partnership, limited liability company, joint venture, or similar business, who or which employees 50 or more persons, but not including employees of any subsidiaries, affiliates or parent businesses.
- [ ] Located within the City of Gainesville enterprise zone.

[ ] Living Wage Ordinance applies and the completed Certification of Compliance with Living Wage is included with this bid.

NOTE: If Contractor has stated Living Wage Ordinance does not apply and it is later determined Living Wage Ordinance does apply, Contractor will be required to comply with the provision of the City of Gainesville's living wage requirements, as applicable, without any adjustment to the bid price.

PROPOSAL RESPONSE FORM – SIGNATURE PAGE

(submit this form with your proposal)

TO: City of Gainesville, Florida
200 East University Avenue
Gainesville, Florida 32601

PROJECT: Professional Auditing Services for General Government

RFP/RFQ#: CAUD-170010-DH

RFP/RFQ DUE DATE:

Proposer's Legal Name: EFPR Group, CPAs, PLLC

Proposer's Alias/DBA: _____

Proposer's Address: 1061 E. Indiantown Road, Suite 104
Jupiter, Florida 33477

PROPOSER'S REPRESENTATIVE (to be contacted for additional information on this proposal)

Name: Douglas E. Zimmerman, CPA Telephone Number (561) 746-0999

Date: October 24, 2016 Fax Number (561) 575-9165

Email address dzimmerman@efprgroup.com

ADDENDA

The Proposer hereby acknowledges receipt of Addenda No.'s 1, 2, 3, to these Specifications.

TAXES

The Proposer agrees that any applicable Federal, State and Local sales and use taxes, which are to be paid by City of Gainesville, are included in the stated bid prices. Since often the City of Gainesville is exempt from taxes for equipment, materials and services, it is the responsibility of the Contractor to determine whether sales taxes are applicable. The Contractor is liable for any applicable taxes which are not included in the stated bid prices.

LOCAL PREFERENCE (check one)

Local Preference requested: ☐ YES ☒ NO

A copy of your Business tax receipt and Zoning Compliance Permit should be submitted with your bid if a local preference is requested.

QUALIFIED LOCAL SMALL BUSINESS STATUS (check one)

Is your business qualified as a Local Small Business in accordance with the City of Gainesville Small Business Procurement Program? (Refer to Definitions) ☐ YES ☒ NO

SERVICE-DISABLED VETERANS' BUSINESS (check one)

Is your business certified as a service-disabled veterans' business? ☐ YES ☒ NO

LIVING WAGE COMPLIANCE

See Living Wage Decision Tree (Exhibit C hereto)

Check One:

☒ Living Wage Ordinance does not apply
(check all that apply)
- ☒ Not a covered service
- ☐ Contract does not exceed $100,000
- ☐ Not a for-profit individual, business entity, corporation, partnership, limited liability company, joint venture, or similar business, who or which employees 50 or more persons, but not including employees of any subsidiaries, affiliates or parent businesses.
- ☐ Located within the City of Gainesville enterprise zone.

☐ Living Wage Ordinance applies and the completed Certification of Compliance with Living Wage is included with this bid.

NOTE: If Contractor has stated Living Wage Ordinance does not apply and it is later determined Living Wage Ordinance does apply, Contractor will be required to comply with the provision of the City of Gainesville's living wage requirements, as applicable, without any adjustment to the bid price.

SIGNATURE ACKNOWLEDGES THAT: (check one)

☒ Proposal is in full compliance with the Specifications.

☐ Proposal is in full compliance with specifications except as specifically stated and attached hereto.

Signature also acknowledges that Proposer has read the current City of Gainesville Debarment/Suspension/Termination Procedures and agrees that the provisions thereof shall apply to this RFP.

ATTEST:

Signature
By: _____

Title: _____

(CORPORATE SEAL)
PROPOSER: EFPR Group, CPAs, PLLC

Signature
By: Douglas E. Zimmerman, CPA

Title: Partner, Chief Operating Officer

CITY OF GAINESVILLE, FLORIDA

CONSULTANTS/FIRMS CERTIFICATION

RFP # CAUD-170010-DH for Professional Auditing Services

The City of Gainesville requires, as a matter of policy, that any Consultant or firm receiving a contract or award resulting from the Request for Proposals issued by the City of Gainesville, Florida, shall make certification as below. Receipt of such certification, under oath, shall be a prerequisite to the award of contract and payment thereof.

I (we) hereby certify that if the contract is awarded to me, our firm, partnership, or corporation, that no members of the elected governing body of City of Gainesville, nor any professional management, administrative official or employee of the City, nor members of his or her immediate family, including spouse, parents, or children, nor any person representing or purporting to represent any member or members of the elected governing body or other official, has solicited, has received or has been promised, directly or indirectly, any financial benefit, including but not limited to a fee, commission, finder's fee, political contribution, goods or services in return for favorable review of any Proposal submitted in response to the Request for Proposals or in return for execution of a contract for performance or provision of services for which Proposals are herein sought.

EFPR Group, CPAs, PLLC
NAME OF BUSINESS

BY: [signature]
SIGNATURE

Douglas E. Zimmerman, CPA
Partner, Chief Operating Officer
NAME & TITLE, TYPED OR PRINTED

1061 E. Indiantown Road, Suite 104
MAILING ADDRESS

Jupiter, Florida 33477
CITY, STATE, ZIP CODE

(561) 746-0999
TELEPHONE NUMBER

(561)575-9165
FAX NUMBER

dzimmerman@efprgroup.com
EMAIL ADDRESS

Sworn to and subscribed before me

this 24 day of

October, 2008

[signature]
Signature of Notary
Notary Public, State of New York

Personally Known
OR
Produced Identification

Type:

DUNS Number: 080295570

Company Tax ID #47-4526160

DEBORAH A SCHALL
Notary Public, State of New York
Registration No. 01SC5034524
Qualified in Erie County
My Commission Expires November 07, 20[illegible]

ADDENDUM NO. 1

CITY OF GAINESVILLE
every path starts with passion
FLORIDA

Date: September 28, 2016

Bid Date: October 27, 2016
at 3:00 P.M. (Local Time)

RFP Name: Professional Auditing Services for General Government And Gainesville Regional Utilities

Bid No.: CAUD-170010-DH

NOTE: This Addendum has been issued only to the holders of record of the specifications.

The original Specifications remain in full force and effect except as revised by the following changes which shall take precedence over anything to the contrary:

1. Any questions shall be submitted in writing to the City of Gainesville Purchasing Division by 3:00 p.m. (local time), October 13, 2016. Questions may be submitted as follows:
   Email: holderds@cityofgainesville.org
   or
   Faxed (352) 334-3163
   Attention: Diane Holder

2. Please find attached:

   a) Copy of the black-out period information (Financial Procedures Manual Section 41-423 Prohibition of lobbying in procurement matters)) distributed during mandatory pre-bid meeting.

3. **D. NON-MANDATORY PRE-PROPOSAL CONFERENCE**
   Please add the following:

A teleconference option is available to interested participants as follows:

Conference Participant:

1. At the specified time, dial the Dial-in Number 844-809-3799
2. When prompted, enter your Conference Code.
3. Your Conference Code is 5576566553

Participant Star Commands

4. Mute – Participants can mute/unmute their own lines by pressing *6

The following are answers/clarifications to questions received prior to the non-mandatory pre-bid conference:

4. Question: We have reviewed the RFP to provide Professional Auditing Services for General Government and Gainesville Regional Utilities. Is there any way we can attend the pre-proposal conference via conference call, please?

   Answer: See #3 above.

ACKNOWLEDGMENT: Each Proposer shall acknowledge receipt of this Addendum No. 1 by his or her signature below, **and a copy of this Addendum to be returned with proposal.**

CERTIFICATION BY PROPOSER

The undersigned acknowledges receipt of this Addendum No. 1 and the Proposal submitted is in accordance with information, instructions, and stipulations set forth herein.

PROPOSER: EFPR Group, CPAs, PLLC

BY: _____

DATE: October 24, 2016

ADDENDUM NO. 2

Date: October 3, 2016

Bid Date: October 27, 2016 at 3:00 P.M. (Local Time)

RFP Name: Professional Auditing Services for General Government And Gainesville Regional Utilities

Bid No.: CAUD-170010-DH

NOTE: This Addendum has been issued only to the holders of record of the specifications and attendees of the non-mandatory pre-bid conference held on September 29, 2016.

The original Specifications remain in full force and effect except as revised by the following changes which shall take precedence over anything to the contrary:

1. Any questions shall be submitted in writing to the City of Gainesville Purchasing Division by 3:00 p.m. (local time), October 13, 2016. Questions may be submitted as follows:
   Email: holderds@cityofgainesville.org
   or
   Faxed (352) 334-3163
   Attention: Diane Holder

2. Please find attached:

   a) Copy of the black-out period information (Financial Procedures Manual Section 41-423 Prohibition of lobbying in procurement matters)) distributed during mandatory pre-bid meeting.
   b) List of pre-bid dial-in participants
   c) Copy of the Pre-Bid sign-in sheet for your information.
   d) Current contract

3. Diane Holder, Purchasing Division, discussed bid requirements.

   a. Sign-in Sheet is circulating. A teleconference option was offered.
      i. If you have dialed-in, please email your information (Business name, address, your name, email address, phone number and fax number) to Diane Holder.
   b. Discussed bid due date, time and delivery location.
      i. Deliver (or have delivered) to Purchasing office no later than by 3PM on October 27, 2016.
      ii. Any bids received after 3:00 p.m. on that date will not be accepted.
   c. Send questions in writing to Diane Holder via email or fax.
      i. All communication through Diane Holder or Purchasing staff only. Do not communicate with other City staff.
   d. Various forms are to be completed and returned with your bid.
      i. Sign, date and return all Addenda.

The following are answers/clarifications to questions received at the non-mandatory pre-bid conference:

4. Question: If you submit a proposal for both, are they evaluated independently or together?
   Answer: They will be evaluated independently.

5. Question: Page 2, C. Proposal Submission. Please clarify the number of submittals?
   Answer: One original and **seven** (7) copies for total of 8.

6. Question: What is the composition of the evaluation committees?
   Answer: Brecka Anderson, Amy Spitzer, and Dan Smierciak for General Government and Eileen Marzak, Claudia Rasnick and Len Loria for GRU.

7. Question: For GRU, there are procedures leading to bond issuances, I see there is an anticipated a bond issuance in the next couple fiscal years during the contract period, what are the typical procedures that are required?
   Answer: Currently (and it may change), the remarketing agents require Agreed Upon Procedures and it depends on when the bond or other debt issuance is going to occur, so it could be at fiscal year-end or it could be another point in time (such as the end of a quarter) .

8. Question: But they are typically agreed upon procedures?
   Answer: Typically, currently.

9. NOTE: Section V-General Provisions, B General Terms and Conditions #7. Term. This will be an initial three year contract with the option to renew for two 2-year extensions.

10. Question: Please clarify the years. Is it September 30, 2017 going forward?
    Answer: Yes, September 30, 2017 going forward.

11. Clarification: For an overview of how the process will go. Teams will be performing the evaluation on the technical and written proposals. For firms deemed qualified, Purchasing staff will open Fee proposals and assign points. More than likely we will have oral interviews; GRU has decided to have interviews, but General Government is still deciding. The City Auditor is the Contract Coordinator and, after receiving the team evaluations and the scoring process complete, will make a recommendation to the Audit and Finance Committee on the final ranking which then goes to the City Commission for final approval. We are projected to bring that recommendation to the Audit and Finance Committee in January 2017 and the City Commission in February2017. This way, we will have contract in place to do any interim field work for spring or summer for 2017.

12. Question: On page 4, Item K and Exceptions to the RFP unless it's specifically stated. A quick read page, I haven't seen anywhere in here where there are specific areas where we are not allowed to take exceptions. In the General Terms and Conditions on page 18, if we take exception for example to the indemnification clause in number 4, are you expecting a red line "we don't agree with this" or "this is how we would like to see this" or how would you that presented?

Answer: You may submit exceptions as stated in Item K "...All exceptions taken must be specific, and the Proposer must indicate clearly what alternative is being offered to allow the City a meaningful opportunity to evaluate and rank proposals..."

13. Question: Can we get a copy of the contract to use as a template?
Answer: Please refer to the current contract (attached) as a template. This does not include any current changes in law.

The following are answers/clarifications to questions received after the non-mandatory pre-bid conference:

14. Question: May we please receive a copy of the General Government prior year financial statements?
Answer: Documents are available at: http://www.cityofgainesville.org/Portals/0/bf/CAFR%202015.pdf

15. Question: How many auditors were in the field last year and for approximately how many days during the General Government audit?
Answer: 3 – 4 auditors. 2 weeks during interim and about a month for final.

16. Question: What was the prior year fee for the General Government audit?
Answer: The FY16 audit fees for General Government are as follows:

General Government	$ 97,599
Wild Spaces Public Places	3,500
Community Redevelopment Agency	5,000
Total FY16 Audit Fees	$106,099

17. Question: Who is responsible for preparing the General Government financial statements and notes?
Answer: The City prepares the financial statements and the notes with the auditing firm reviewing and consulting?

ACKNOWLEDGMENT: Each Proposer shall acknowledge receipt of this Addendum No. 2 by his or her signature below, **and a copy of this Addendum to be returned with proposal.**

CERTIFICATION BY PROPOSER

The undersigned acknowledges receipt of this Addendum No. 2 and the Proposal submitted is in accordance with information, instructions, and stipulations set forth herein.

PROPOSER: EFPR Group, CPAs, PLLC

BY: _____

DATE: October 24, 2016

ADDENDUM NO. 3

Date: October 17, 2016

Bid Date: October 27, 2016 at 3:00 P.M. (Local Time)

RFP Name: Professional Auditing Services for General Government And Gainesville Regional Utilities

Bid No.: CAUD-170010-DH

NOTE: This Addendum has been issued only to the holders of record of the specifications and attendees of the non-mandatory pre-bid conference held on September 29, 2016.

The original Specifications remain in full force and effect except as revised by the following changes which shall take precedence over anything to the contrary:

The following are answers/clarifications to questions received after the non-mandatory pre-bid conference:

1. Question: When are the books closed and ready for audit?
   Answer: GRU's response—the books will be closed and ready for audit by the last week in November.
   GG's response – the books close mid to late December.

2. Question: What is the current or desired audit fieldwork schedule for preliminary and final fieldwork?
   Answer: GRU's response—the desired preliminary fieldwork dates are August timeframe and the final fieldwork dates would begin the last week of November.
   GG's response – currently the preliminary is early September and the final is the end of November.

3. Question: What level of assistance does GRU staff give for the audit, i.e. schedules prepared, etc.?
   Answer: GRU staff prepares all lead schedules which will tie to the financial balances for the balance sheet and prepares all supporting documentations, including excel files.

4. Question: Does GRU staff prepare the financial statement and notes to the financial statements?
   Answer: GRU prepares the MD&A, financial statements and all notes.

5. Question: What is the due date for the reports? The 2015 report was dated February 24, 2016. Were there any unusual circumstances in the 2015 audit?
   Answer: GRU's response—the final due dates for the audit reports is February 25th if circumstances on GRU's side cause the reports to be delayed (for example, GASB 68 entries). GRU's expectation is that January 15th is the date that all reports are finalized and the financial statements are issued. GASB 68 delayed the issuance of the financial statement for the 2015 audit.
   GG's response – the due date for the reports is six months after the fiscal year end.

6. Question: How many estimated hours are done for current fieldwork, i.e. number and level of staff, how many days on site, etc.?
   Answer: GRU's response—estimated hours are unknown. GRU noted for preliminary fieldwork, there are 4-5 people on site for 8-10 days (audit manager and staff/partner for a portion of the time). GRU noted for final fieldwork there are 4-6 people on site for three weeks (audit manager and staff/partner for a larger portion of the time than preliminary).
   GG's response – 3-4 auditors. 2 weeks during interim and about a month for final.

7. Question: What were the 2015 audit fees for the GRU audit?
   Answer: $141,719

8. Question: Does GRU finance staff provide the valuation of derivative instruments marked to market at year end and write the note to the financial statements?
   Answer: Third parties provide the valuations. GRU staff prepares the note.

9. Question: Does GRU anticipate requiring an audit under the Uniform Guidance (single audit) for the 2017 audit year?
   Answer: No.

ACKNOWLEDGMENT: Each Proposer shall acknowledge receipt of this Addendum No. 3 by his or her signature below, **and a copy of this Addendum to be returned with proposal.**

CERTIFICATION BY PROPOSER

The undersigned acknowledges receipt of this Addendum No. 3 and the Proposal submitted is in accordance with information, instructions, and stipulations set forth herein.

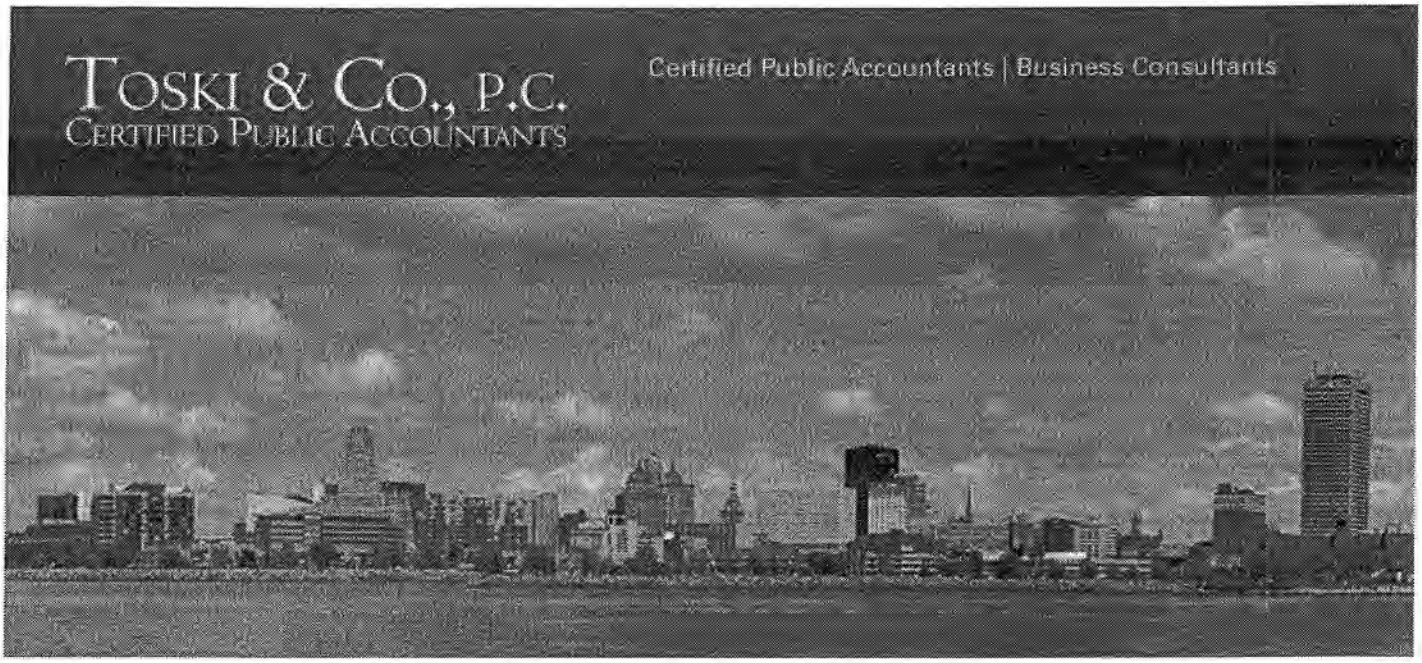
PROPOSER: EFPR Group, CPAs, PLLC

BY: _____

DATE: October 18, 2016

Appendix E

Super Circular E-Blast Series



Series of Super Circular Requirements

Impact of the Super Circular on Procurement

(Series 1 of 5)

By Emily Drew

In an effort to provide for more effective, efficient and transparent reporting of Federal Awards, the Office of Management and Budget (OMB) recently issued the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards. This comprehensive project, more commonly referred to as the "Super Circular" or "Uniform Guidance", consolidates and supersedes the 8 prior circulars by establishing one single place to find all guidance. This new guidance, with some exceptions, is effective for awards made after December 26, 2014 (fiscal years beginning January 1, 2015 and later), and has made some significant changes to regulations over federal awards that affect award recipients, awarding agencies, and auditors.

In an effort to reduce the risk of fraud, abuse and waste, the OMB made significant changes to the procurement standards making it one of the most significant changes to come out of the Uniform Guidance. The revised standards allow for both federal and non-federal entities to use one of four methods in procuring goods and services that are directly charged to federal awards. These methods are Micropurchases, Small Purchases, Sealed Bids and Competitive Proposals.

Any purchases less than $3,000 are considered Micropurchases and do not require entities to obtain competitive bids provided it has determined the price to be reasonable. However, to the extent possible, entities are encouraged to equally distribute purchases among qualified vendors.

The Small Purchases option is available for simple and informal purchases greater than $3,000 but less than $150,000. Price quotes can be written, oral, from an online search engine or website price list. This option requires entities to obtain price quotes from an adequate number of sources. While the Uniform Guidance does not define the term "adequate", it does note that it should consist of more than one quote. Entities should consider establishing a policy defining what they consider adequate.

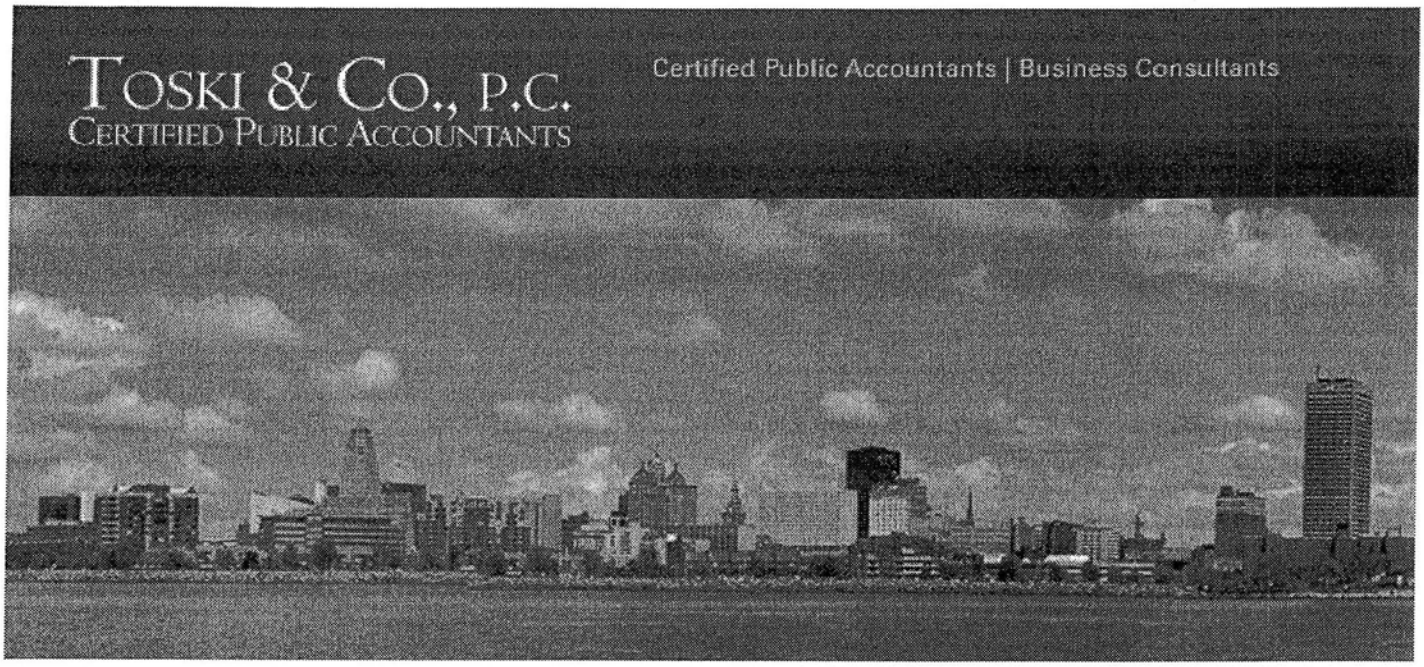
Purchases exceeding $150,000 may be made by either Sealed Bids or Competitive Proposals. Sealed Bids are utilized when bids are publically solicited and a firm fixed price is awarded to a responsible bidder. The goal of the Sealed Bid method is to select the bidder with the lowest price. The Competitive Proposals method comes into play when the Sealed Bids option is not appropriate. This option requires publicized request for proposals and identification of all evaluation factors and their relative importance. Competitive Proposals also requires entities to solicit an adequate number of bids similar to the Small Purchases method, as well as a written method for conducting technical evaluations of the proposals.

The revised guidance also allows for procurement by non-competitive proposals however, this option is only available under limited circumstances.

Regardless of which method an entity elects to use, it must comply with and adhere to its own written policies (including procurement, conflict of interest and code of conduct policies), be necessary and reasonable, subject to open competition and contain proper documentation. Proper documentation includes support for the method used, contractor selected and the basis of award. The revised procurement standards also require entities to make an effort to place small and minority owned businesses on solicitation lists and use these businesses to the highest extent possible.

The administrative requirements and cost principles of the Uniform Guidance are effective for all federal awards made after December 26, 2014. However, the Federal government has provided a grace period of one full fiscal year after the effective date for implementing the revised procurement standards. As a result, nonfederal entities have until calendar year ending December 31, 2016 or fiscal year ending June 30, 2017 to fully implement the changes to the procurement standards. If you find that your entity already has a policy that either meets these guidelines or is more strict than the new guidelines, no changes need to be made however, every organization should review their current practices to ensure they align with these new regulations.

For more information and to talk to our Attest team, please contact Krystal Schall at (716) 204-5721 or email her at kschall@toskicpa.com



Series of Super Circular Requirements

Impact of the Super Circular on Subrecipient Monitoring

(Series 2 of 5)

By Amanda Wood

In an effort to provide for more effective, efficient and transparent reporting of Federal Awards, the Office of Management and Budget (OMB) recently issued the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards. This comprehensive project, more commonly referred to as the "Super Circular" or "Uniform Guidance", consolidates and supersedes the 8 prior circulars by establishing one single place to find all guidance. This new guidance, with some exceptions, is effective for awards made after December 26, 2014 (fiscal years beginning January 1, 2015 and later), and has made some significant changes to regulations over federal awards that affect award recipients, awarding agencies, and auditors.

One of the major changes brought about by the Super Circular relates to subrecipient monitoring. The more stringent requirements over subrecipient monitoring that affect pass-through entities include a requirement to distinguish between a subrecipient and a contractor, ensuring flow-down of new requirements are included within subrecipient agreements, evaluating subrecipient risk of noncompliance, and determining necessary monitoring activities.

There are distinctive attributes that differentiate a subrecipient from a contractor. A subrecipient is an entity to which you distribute federal aid to conduct a program on your behalf. Subrecipients primarily are non-profit organizations which provide the service to your constituents. On the other hand, a contractor is an entity that provides similar goods and services to many different purchasers, operates in a competitive environment, and is not subject to compliance requirements of a Federal program.

Once a subrecipient relationship is established, you should appropriately plan to ensure that all pass-through entity responsibilities are considered. Pass-through entities should document the assessment of risks related to the internal controls in place at the subrecipient organization, keeping in mind each compliance requirement applicable to the subrecipient's federally funded program. These assessments should be completed prior to the award of federal funds to all subrecipients and should specifically address each of the compliance areas defined in the Super Circular and grant agreement. Assessments of low risk should be rare and must be supported by significant documentation such as prior on-site monitoring and third party audit documentation.

Pass-through entities will be required to perform site visits to examine and test the control procedures put in place by the subrecipient to ensure that the federal funds are spent when and how intended for the benefit of eligible receipts, unless specific compliance requirements are considered to be low risk. Pass-through entities will need to develop and document a monitoring plan to address the risk assessment. Based on the results of these ongoing monitoring activities, the pass-through entity should provide training and technical assistance to subrecipient staff, if needed, and consider taking enforcement action against any noncompliant subrecipients. Noncompliance with the subrecipient monitoring requirements could result in the pass-through entity being financially responsible for any disallowed costs of its subrecipients.

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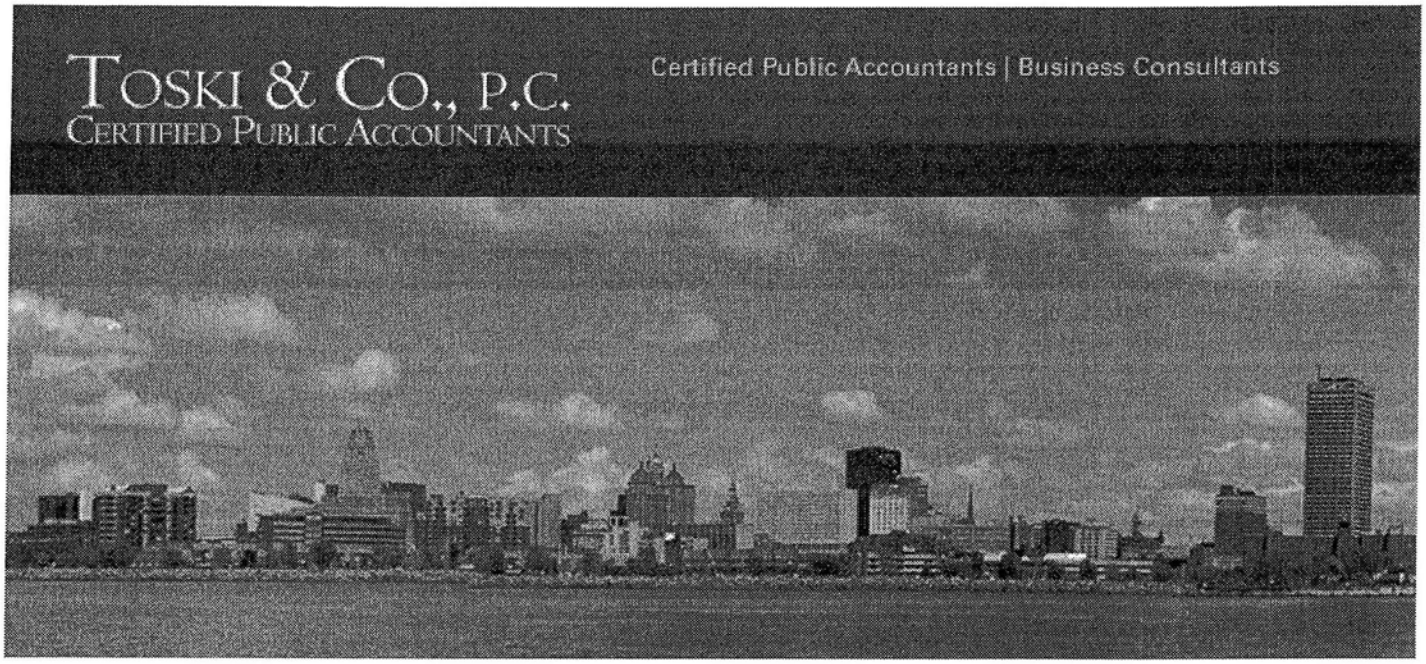

Series of Super Circular Requirements

Impact of the Super Circular on Effort Reporting

(Series 3 of 5)

By Alissa Cogan

In an effort to provide for more effective, efficient and transparent reporting of Federal Awards, the Office of Management and Budget (OMB) recently issued the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards. This comprehensive project, more commonly referred to as the "Super Circular" or "Uniform Guidance", consolidates and supersedes the 8 prior circulars by establishing one single place to find all guidance. This new guidance, with some exceptions, is effective for awards made after December 26, 2014 (fiscal years beginning January 1, 2015 and later), and has made some significant changes to regulations over federal awards that affect award recipients, awarding agencies, and auditors.

One significant area that has changed under the Super Circular is time and effort reporting, now referred to as "documentation of personnel costs." This area refers to how federal award recipients document compensation charges to federal awards. The main focus requires grantees to establish and maintain effective internal controls over the effort reporting process. The Super Circular states that salaries charged to federal awards are allowable if they:

1. are reasonable and conform to established policy,
2. follow an appointment made in accordance with a non-federal entity's laws, rules, or policies and meets the requirements of federal statute, where applicable, and
3. are supported by documentation "records that accurately reflect the work performed."

Discussions about the new requirements have focused on these five main topics:

Documentation Standards

When it comes to documenting personnel costs, the Super Circular no longer requires grantees to use personnel activity reports (PARs) nor does it state the time period in which effort must be confirmed or who may document compensation costs. It simply states that a grantee must still maintain "records that accurately reflect the work performed." Many organizations are finding that until expectations are more clearly defined, they will continue using PARs. In best practice, supervisors and managers should sign off on time and effort documentation.

After-the-Fact Review

The Super Circular requires some form of "after the fact" review to ensure that charges to awards are allowable and accurate. Budget estimates alone do not qualify as proper documentation for salary charges to federal awards; however they may be used as a guide for interim until the actual amount can be determined.

"Acceptable" Effort Reporting Systems

Previously, OMB Circular A-21 established 3 types of acceptable systems to document compensation costs charged to federal awards (Plan Confirmation, After the fact Activity Records, and Multiple Confirmation Records); the Super Circular eliminated these however it is unclear what the government will see as an acceptable replacement.

"Reasonable Salary"

The Super Circular's definition of this term includes reference to "similar work in the labor market in which the non-Federal entity competes." In conclusion, the Super Circular's language over documentation of personnel costs appears to make regulation more flexible; however commentary accompanying the Super Circular suggests that the government is still going to have high expectations when it comes to allowability of such costs in terms of emphasis on internal controls and ensuring the final award amount is proper. Many grantees find their existing policies should remain in place, (although it's not required by the Super Circular) until there is more guidance on what is acceptable and expected by the Federal Government. Thus, if your current system is working properly, you don't need to make a change; however, if you're thinking of changing your system, obtain approval from the necessary funding sources and discuss it with your auditors.

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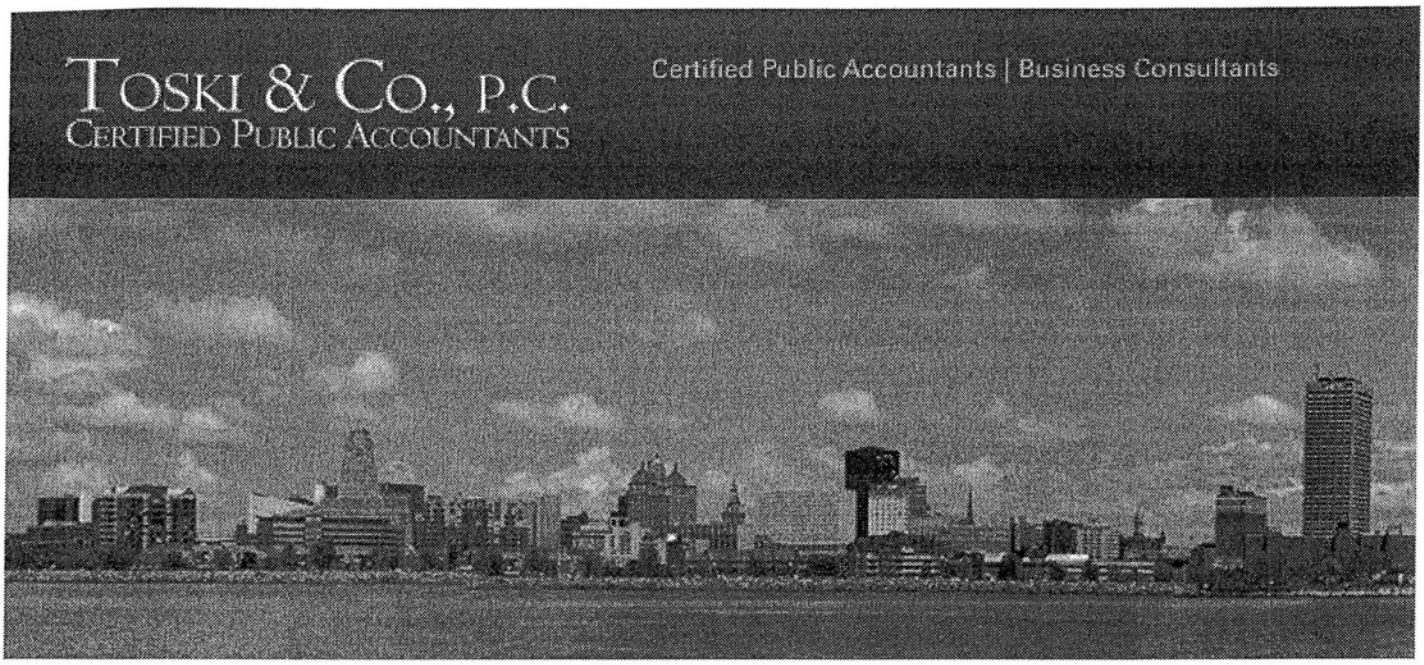

Series of Super Circular Requirements

Impact of the Super Circular on Indirect Cost Rates

(Series 4 of 5)

By Emily Drew

In an effort to provide for more effective, efficient and transparent reporting of Federal Awards, the Office of Management and Budget (OMB) recently issued the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards. This comprehensive project, more commonly referred to as the "Super Circular" or "Uniform Guidance", consolidates and supersedes the 8 prior circulars by establishing one single place to find all guidance. This new guidance, with some exceptions, is effective for awards made after December 26, 2014 (fiscal years beginning January 1, 2015 and later), and has made some significant changes to regulations over federal awards that affect award recipients, awarding agencies, and auditors.

One of the largest changes to the administrative requirements and cost principles is the calculation of the indirect cost rate. Indirect costs are costs that have been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective. Examples include: depreciation of facilities and equipment, maintenance of buildings and facilities, salaries and expenses of executive officers, and accounting and other professional expenses. Indirect cost rates are used to allocate these costs to federal awards in lieu of negotiating the proportion of indirect costs with each federal awarding agency.

Under the revised guidance, federal agencies are now required to accept federally negotiated indirect cost rates unless a statute or regulation requires otherwise. Those entities that currently have a federally negotiated indirect cost rate may apply for a one time extension for a period of 4 years however, the entity may not request a review of the indirect cost rate until the extension period ends. Entities that have never received a negotiated indirect cost rate may elect to

charge an automatic de minimus rate of 10% of modified total direct costs. While entities are permitted to utilize this de minimus rate indefinitely, they are not precluded from applying for a federally negotiated rate.

Non-federal entities that are able to allocate and charge 100% of their costs directly may continue to do so. Also, direct charging of administrative and clerical staff salaries may continue to be appropriate under certain circumstances.

Lastly, obtaining and using an indirect cost rate is not mandatory. An entity may conclude that the amount recovered thereby would be immaterial and therefore not worth the effort needed to obtain it.

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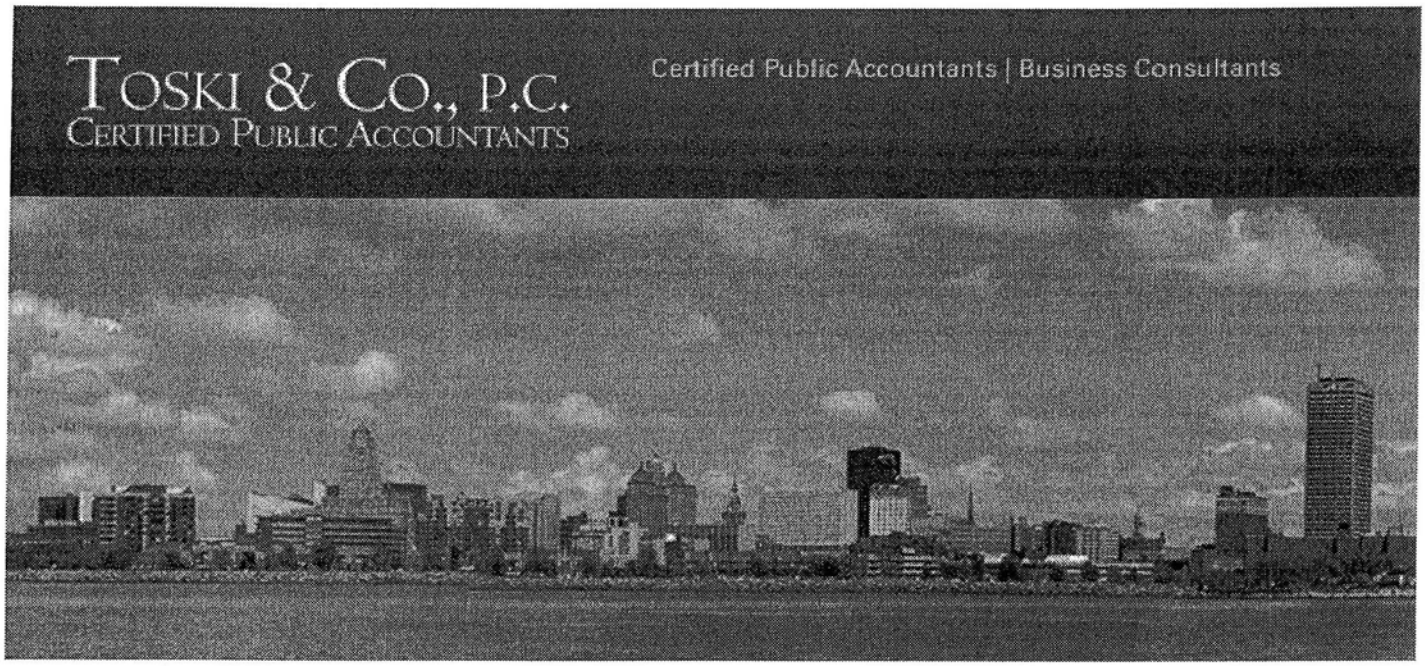

Series of Super Circular Requirements

Impact of the Super Circular on Single Audits

(Series 5 of 5)

By Alissa Cogan

In an effort to provide for more effective, efficient and transparent reporting of Federal Awards, the Office of Management and Budget (OMB) recently issued the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards. This comprehensive project, more commonly referred to as the "Super Circular" or "Uniform Guidance", consolidates and supersedes the 8 prior circulars by establishing one single place to find all guidance. This new guidance, with some exceptions, is effective for awards made after December 26, 2014 (fiscal years beginning January 1, 2015 and later), and has made some significant changes to regulations over federal awards that affect award recipients, awarding agencies, and auditors.

The Super Circular is comprised of 6 parts (A-F). Subpart F contains the audit requirements for federal award programs, also known as "Single Audits," and applies to Single Audits of fiscal years beginning on or after December 24, 2014 (i.e. fiscal years ended December 31, 2015 and later). Subpart F follows the same model as OMB Circular A-133 however there are modifications to most areas. Below is an overview of the 10 major modifications:

1. OMB Circulars – The Super Circular combines, updates and supersedes the eight existing OMB circulars into one document, including OMB Circular A-133.
2. Single Audit Threshold – Federal award recipients are required to undergo a single audit when their total federal award expenditures are $750,000 or higher (increased from the previous threshold of $500,000).
3. Type A/B Determination – For organizations expending less than $25 million in federal awards, Type A programs are those that total $750,000 or more (previously $300,000); all others are

Type B programs. For recipients expending over $25 million in federal awards, there are different thresholds to follow.

4. High-Risk Type A Programs - Type A programs are classified as high-risk only if, in the most recent period, the auditee failed to receive an unmodified opinion, had a material weakness in internal control, or had questioned costs exceeding 5% of the program's expenditures.
5. High-Risk Type B Programs – The number of high-risk Type B programs that must be tested as major programs has been reduced to at least one-fourth of the number of low-risk Type A programs, a decrease from the previous rule of at least one-half.
6. Coverage Changes - The percentage of coverage required in a single audit is 40% (high-risk auditees) and 20% (low-risk auditees) of federal expenditures, a decrease from 50% (high-risk auditees) and 25% (low-risk auditees).
7. Low%Risk Auditee Status – The Super Circular added the requirement that in order to be a low%risk auditee, the auditor must not have reported substantial doubt about the auditee's ability to continue as a going concern.
8. Compliance Requirements – The proposal to reduce the number of compliance requirements from 14 to 6 did not make it into the final guidance; however the possibility of removing or combining the 14 compliance requirements is still being discussed. An update on the compliance requirements is expected when OMB releases the 2015 Compliance Supplement.
9. Auditor Findings – The Super Circular created more guidance on auditor findings and follow-up on audit findings. For more guidance, refer to sections 200.511 and 200.516 of Subpart F.
10. Questioned Costs – Under the Super Circular, the questioned cost threshold for reporting auditor findings is $25,000, an increase from the prior threshold of $10,000. For major programs, known questioned costs must be reported in a schedule of findings and questioned costs when: (1) known questioned costs are greater than $25,000 or (2) when likely questioned costs are greater than $25,000. For non-major programs, known questioned costs must be reported when known questioned costs are greater than $25,000.

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