



AUDITOR PROPOSALS
June 2023

Grayson Accounting & Consulting, P A

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Contact: John Grayson

Thomas Howell Ferguson P.A. CPAs

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Contact: Allison Harrell, CPA

June 8, 2023

To the Board of Directors
Tallahassee – Leon County Cultural Resources Commission
d/b/a Council on Culture and Arts
914 Railroad Ave.
Tallahassee, FL 32310

We are pleased to confirm our understanding of the services we are to provide for the Tallahassee – Leon County Cultural Resources Commission d/b/a Council on Culture and Arts (COCA) for the year ending September 30, 2023.

Audit Scope and Objectives

We will audit the financial statements of COCA , which comprise the statement of financial position as of September 30, 2023, the related statements of activities, functional expenses, and cash flows for the for the year then ended, and the disclosures (collectively, the “financial statements”).

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor’s report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with Generally Accepted Auditing Standards (GAAS) and *Government Auditing Standards* (GAS) will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

The objectives also include reporting on internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

Auditor’s Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Organization or to acts by management or employees acting on behalf of the Organization. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

We have identified the following significant risk(s) of material misstatement as part of our audit planning:

- 1) Revenue recognition risk
- 2) Management override risk

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our audit of the financial statements does not relieve you of your responsibilities.

Audit Procedures—Internal Control

We will obtain an understanding of the Organization and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of [Name of Nonprofit Organization]’s compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with accounting principles generally accepted in the United States of America, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

You are also responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the Organization from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS and *Government Auditing Standards*.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Organization involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Organization received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the Organization complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with accounting principles generally accepted in the United States of America. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from

those audits, attestation engagements, performance audits, or other engagements or studies. The Organization is also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the Organization; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Grayson Accounting & Consulting, P.A. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to regulatory agencies or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Grayson Accounting & Consulting, P.A. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by regulatory agencies. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

John M. Grayson, CPA, is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We expect to begin our audit in November 2023.

We estimate that our fees for the audit will be \$10,500. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will keep you informed of any problems we encounter and our fees will be adjusted accordingly. Payment terms for this audit shall be \$1,500 due with the signed engagement letter and the balance of \$9,000 upon completion of the audit and issuance of the audit report.

Reporting


We will issue a written report upon completion of our audit of COCA's financial statements. Our report will be addressed to the Board of Directors of Council on Culture and Arts. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or issue reports, or we may withdraw from this engagement.

We will also provide a report (which does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will state that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The report

will also state that the report is not suitable for any other purpose. If during our audit we become aware that COCA is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

We look forward to the possibility of working with COCA believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the letter and return it to us along with the \$1,500 retainer.

Sincerely,



John M. Grayson, CPA

RESPONSE:

This letter correctly sets forth the understanding of the Tallahassee – Leon County Cultural Resources Commission d/b/a Council on Culture and Arts.

Kathleen Spehar, Executive Director

Date

Firm Background and Experience

Grayson Accounting & Consulting, P.A. (GA&C) is a certified public accounting firm located in Tallahassee, Florida. Formally established in 2001, GA&C is the outgrowth of John M. Grayson, CPA, a sole proprietorship established in 1995. GA&C provides auditing, accounting and review, consulting, and tax services to individuals, small businesses, governments, and not-for-profit organizations. Mr. Grayson has been a Certified Public Accountant for 27 years and is also a Certified Fraud Examiner.

GA&C has extensive experience in non-profit accounting and auditing. Current and past non-profit organization clients:

Auditing

Alabama State University Foundation, Inc.
Florida Association for Community Action, Inc.
City of Tallahassee
Florida A&M University National Alumni Association
Florida A&M University Rattler Boosters
North Florida Office of Public Guardian
One Church One Child of Florida, Inc.
United Supreme Council, 33° AASR, PHA

Accounting

Childrens Services Council of Leon County
City of Midway
Florida Athletic Coaches Association
Florida Black Business Investment Board, Inc.
Florida Caucus of Black State Legislatures
Leon County Democratic Executive Committee
Tallahassee (FL) Chapter of the Links, Incorporated

Proposal to Provide Audit Services to the:

Council on Culture and Arts

June 9, 2023



Engagement Shareholder

Allison Harrell, CPA
Shareholder, Assurance Services

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Tallahassee

Tampa

Panama City

Bainbridge

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June 9, 2023

Mr. Nick Pavlovik
Business Manager
Council on Culture and Arts
914 Railroad Ave.
Tallahassee, FL 32302

Dear Mr. Pavlovik,

Thomas Howell Ferguson CPAs (THF) is extremely pleased to submit our proposal to perform audit services for the Council on Culture and Arts (COCA). COCA will be a valued client, and you can be assured that the engagement will command immediate attention and priority service from THF.

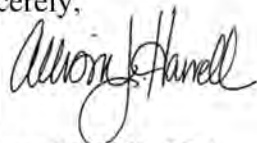
THF has a dedicated not-for-profit and governmental practice that makes up over 35% of THF's overall annual revenue. We have recently been recognized as the **135th largest accounting firm in the nation** and as one of the **Best of the Best Accounting Firms** by *Inside Public Accounting*. In addition, we were recently named **One of America's Top Recommended Tax and Accounting Firms** by *Forbes Magazine*. Our success directly reflects the quality of our team and the clients we serve.

Our Firm is committed to quality and our profession. We are a member of the American Institute of Certified Public Accountants (AICPA) Government Audit Quality Center (GAQC), a resource developed for government auditors to stay ahead of industry trends, audit risk, and regulatory compliance requirements.

To be recognized as a leader in the not-for-profit industry requires more than audit and tax experience behind a desk. Our team members supplement their significant technical skills by serving on various boards and community organizations along with volunteering for various not-for-profits in our community. **Our experience will become your experience.**

We believe we are the best firm to serve you and are confident in our ability and capacity to provide the services COCA requires. Thank you for considering our proposal. I am authorized to commit THF to a contract with you. I will be your primary contact for this solicitation. I declare this proposal in all respects fair and in good faith without collusion or fraud and that I have the authority to bind the principal proposer, THF. If you should need additional information, please do not hesitate to contact me at (850) 521-3165 or by email at aharrell@thf-cpa.com.

Sincerely,



Allison Harrell, CPA
Shareholder, Assurance Services

Firm Overview

Why Choose THF?

We are confident that our unparalleled experience, resources, and approach make us best suited to serve you. Following is a sample of qualities that set us apart:

- **Not-For-Profit Entity Experience:** As a Florida-based accounting firm, we have worked with not-for-profit organizations since our firm's inception. Our Not-For-Profit Group serves a significant number of Not-For-Profit organizations in our State and has specific experience serving community service organizations.
- **Transparency:** One of our main focuses is transparency. When your CPA firm operates ethically and follows the laws and standards of the accounting industry, the firm can comfortably operate in a transparent fashion, which is what we strive to do with all of our clients.

We are confident that our unparalleled experience, resources, and approach make us best suited to serve you.

- **Proven Efficiency Practices:** Our paperless systems and our approach to services ensure we have the right people in the field at the right times. This approach increases efficiencies and helps us complete your review and tax returns and deliver final products within the timelines that you expect.
- **Team Depth:** We are committed to maintaining the same staff on engagements each year, recognizing that as our team progresses and develops within THF, they bring new skills and talents to you.
- **Resources:** Our leadership in the profession, in the community, and in your industry allows us to stay ahead of the issues that will impact you. From regulatory and legislative issues to matters such as Private Company Accounting Practices and the implementation of new accounting standards, we are involved on the frontlines.
- **No Surprises:** We are dedicated to providing our clients with personal attention and a "hands-on" approach to avoid surprises throughout the year. From planning to delivery, we will communicate with you frequently to ensure your expectations are met or exceeded.
- **Shared Values:** THF understands the importance of leadership to our community, to our profession, and to our clients.

Our Mission

"We make an impact in everything we do, providing the highest level of personal and professional service using seasoned judgment, creativity, and responsiveness."

· Inside Public Accounting ·
**BEST OF THE BEST
ACCOUNTING FIRMS**

135th
**LARGEST ACCOUNTING
FIRM IN THE NATION**

FORBES
**RECOMMENDED TAX AND
ACCOUNTING FIRM**

About Us

THF is headquartered in Tallahassee, Florida, with additional office locations in Tampa (FL), Panama City (FL), and Bainbridge (GA). Since our inception, we have created a culture that focuses on providing the expertise and resources of a national firm with the client service of a local firm. This has helped us grow to more than 150 team members since 1993.

What We Do

THF's focus on industry specialization (not-for-profit, government, employee benefits, insurance, commercial, and wealth management) and our concentration of technical skills along functional lines (audit, tax, technology, accounting, consulting, and disaster and emergency management services) reflect the firm's commitment to building superior service capabilities. Our goal is to develop higher levels of knowledge and experience to deliver services seamlessly and in a cost-effective manner.

Each team member is a highly experienced professional in their particular area. The combination of their knowledge and their experience provides you with a well-rounded team of professionals focused on you.

Range of Services

- Annual financial and compliance audits,
- Agreed-upon procedures,
- Reviews and compilations,
- Financial statement preparation,
- Financial and Technical training,
- Outsourced CFO and controller services,
- Information technology consulting,
- Operational reviews,
- Single audits,
- Healthcare claims audits,
- Disaster recovery and emergency management services,
- Compensation studies,
- Internal control studies,
- Employee benefit plan administration and fraud check-ups,
- Strategic planning,
- Tax consulting and tax check-ups,
- Tax preparation and unrelated business income planning,
- Political entity compliance services.

Firm Overview

We are often asked what makes us different from our competitors. The answer is **our people**. We are a team of leaders in our profession, industry, and community. Our interaction with state and national leaders; our participation on committees, task forces, and boards; and our visibility through speaking engagements around the state expose us to ideas, trends, issues, and opportunities that will benefit you. We will complement our leadership with our commitment to quality and superior client service to bring lasting value to you.



Experience & Qualifications

The experience we have gained in practical situations of assisting our clients allows us to better address issues facing your organization. We understand these issues and have the requisite skill level to do more than provide the routine audit and tax services - we will add value to the relationship. We believe our dedication and commitment to the not-for-profit industry are evidenced by the long-term client relationships we have developed with many of Florida's leading not-for-profit organizations.

A select list of our **current not-for-profit clients** is included below.

- Barbara Bush Foundation
- Big Bend Cares
- Capital Area Community Action Agency
- CareerSource Pinellas
- CESC, Inc. d/b/a the Kearney Center
- Feeding Florida, Inc.
- Federal Alliance of Safe Homes - FLASH, Inc.
- FL Alliance for Sports Medicine
- FL Association of Counties
- FL Association of Insurance Agents
- FL Chamber of Commerce & Foundation
- FL Commission for Transportation Disadvantaged
- FL Conservation of Voters Education
- FL Dental Association & Foundation
- FL Education Foundation
- FL Home Builders Association
- FL Hospital Association
- FL Insurance Council
- FL Insurance Guaranty Association
- FL LambdaRail, LLC
- FL Podiatric Medical Association
- FL Press Association
- FL Professional Firefighters
- FL Public Pension Trustees Association
- FL Restaurant & Lodging Association Educational Foundation
- FL Retail Federation & Foundation
- FL Self-Insurer Guaranty Association
- FL Sheriffs Association
- FL Shore & Beach Preservation Association
- FL State Parks Foundation
- FL State University Real Estate Foundation
- FL Surplus Lines Service Office
- FL United Businesses Association
- FL Workers' Compensation Insurance Guaranty Association
- FL Workers' Compensation Insurance Joint Underwriting Association
- Friends of the FL State Forests
- Gadsden Arts, Inc.
- Home Care Association of FL
- Innocence Project of Florida
- Kids Incorporated of the Big Bend
- Leon County Research & Development Authority
- Living Healthy in Florida
- Mental Health Corporations of America
- Seminole Boosters, Inc.
- Tallahassee Community College Foundation
- Tallahassee Lenders' Consortium
- Tallahassee Orthopedic Clinic Foundation
- Taoist Tai Chi Society of the USA
- The Association for Institutional Research
- Underground Utility Contractors of Florida
- United Way of the Big Bend, Inc.
- University of FL Development Corporation

Experience & Qualifications

Relevant Experience

We have experience serving the following numbers and types of clients that are similar and relevant to you.

16 Quasi-Governmental Organizations - These not-for-profit organizations are typically created by statute and are a component unit of the State or another government agency. Many of these organizations are 501(c)(3) entities but utilize fund accounting practices and prepare financial statements following Government Accounting Standards. These organizations vary widely in size and structure. Eleven of these organizations are direct-support organizations.

29 Trade or Professional Associations - THF provides audit, review, tax, and consulting services for these organizations on an annual basis. Many of these clients are multi-tier entity structures, including educational foundations, political organizations, and for-profit subsidiaries. These engagements range from 100 to 450 hours to perform and utilize three to six team members. Consulting services have included the facilitation of strategic planning, forensic accounting, executive compensation planning, employee benefits planning, tax studies, and internal control studies. These include 501(c)(6) and 501 (c)(5) organizations.

51 Service/Charitable Organizations - THF provides annual audit, review, compliance, tax, and consulting services. These engagements typically range from 50 to 400 hours, utilizing two to five team members. Many of these engagements include compliance auditing under the Florida Single Audit Act and the Uniform Grant Guidance. These include 501(c)(3) organizations.

13 State Agencies - Including the Florida Department of Economic Opportunity, the Florida Agency for Health Care Administration, the Florida Commission for Transportation Disadvantaged, the Florida Division of Emergency Management, the Florida Department of Education, the Florida Department of Financial Services, and the Florida Lottery. These entities range in revenue size and resources.

Nationwide Experience - Our not-for-profit and government services team has been expanded to include the experience of firms within our alliances. These memberships, along with our active leadership and participation in these organizations, provide us with access to subject matter experts throughout the country that serve thousands of not-for-profit organizations and governments of all sizes and structures. We are actively engaged in industry and department roundtables in each organization which has helped us identify best practices and trends that can directly benefit our clients. If you have an issue that we can't address, we can access numerous resources through these alliances to bring a resolution to that issue.

Engagement Team

Our proposal contains a dedicated team of professionals to meet your specialized needs. Your engagement team has extensive not-for-profit and government experience with core audit and tax services and more technical skills. To expand their industry knowledge, our professionals serve as volunteer leaders and are active members of not-for-profit and government organizations. Their experience is available to you to provide meaningful advice during the audit and throughout the year.

A valuable professional resource can provide current and meaningful advice based on changes and events that are taking place today. It also has a vision capable of preparing you for tomorrow. Our professionals are valuable resources. Industry-specific training for these team members ranges from national training conferences to individual study to hands-on leadership involvement. Their experience has trained them to make decisions and solve problems. As our clients, their experience will become your experience.

Commitment to Staff Continuity

To ensure the continuity of our not-for-profit group, we have developed a dedicated team of professionals at all levels within the firm. In the event there is a turnover of one of our engagement team members, we have others trained to assume responsibilities at that level. A dedicated team focused on not-for-profit and government engagements helps us to gain efficiencies and cost savings that we are able to pass on to our clients.

THF is a firm of highly-trained professionals that have been organized to provide our clients with superior service. We continually evaluate our client service commitments and structure our team assignments and personnel resource deployment accordingly. We are continuously recruiting and training the best talent. We believe that because of our firm's career opportunities and commitment to employees, we will have the accounting personnel resources this engagement commands and you expect.

In general, we do not rotate personnel on engagements. Once an assignment is made, we strive to maintain the continuity of the engagement team. However, responsibilities and personnel changes occasionally occur because of promotions, attrition, and other real-life situations. In the event a personnel change is necessary, you can be assured that an equally qualified and capable individual will be assigned to your engagement team, subject to your approval. If requested, the qualifications of replacement personnel will be furnished to you prior to beginning the audit.

We are committed to creating a working environment that promotes long-term growth and opportunity for all of our staff. This commitment, combined with the level of challenging assignments and professional opportunities, has allowed us to achieve staff turnover levels over the past three years that are below the industry averages for public accounting firms.

Present Complement of Personnel

Our Team comprises over 150 members from our Audit, Tax, and Government Consulting departments. We currently have 84 members in our Tallahassee office, with ten members specializing in Not-for-Profit, which are led by our Not-for-Profit shareholder, Allison Harrell.



Experience

Since 2002, Allison has been providing assurance services. Industries include governmental, not-for-profit, and for-profit entities. The range of services provided includes financial statement and compliance audits, internal control studies, forensic audits, agreed-upon procedures, and financial reviews.

- Responsibilities consist of planning, fieldwork, and report preparation in the areas of financial and compliance audits.
- Experience with Uniform Grant Guidance.
- Additional experience with operational audits of state agencies and certain local governments while employed with the State of Florida Auditor General.

Organizations / Affiliations

- Member of the American Institute of Certified Public Accountants (AICPA)
 - Past Member, Governmental Audit Quality Center Executive Committee
 - Past Member, Not-for-Profit Expert Panel
 - Past Chair, E.D.G.E. Conference Planning Committee
 - Past Young CPA Task Force
 - Inaugural Member, Leadership Academy
- Member of the Florida Institute of Certified Public Accountants (FICPA)
 - Past Committee on Nominations
 - Past Vice Chair, Young CPA Committee
 - Past Membership Committee
 - Past Member, Membership Task Force
 - Past Young CPA Committee
- Member, Florida Governmental Finance Officers Association (FGFOA)
- Member, Florida Society of Association Executives (FSAE)
- Past Member, Access Tallahassee
- Leadership Tallahassee, Class XXVII
- Member, Florida State University, Professional Accounting Advisory Board

Community Activities

- Board of Directors, Greater Tallahassee Chamber of Commerce
- Board of Directors, Tree House of Tallahassee
 - Past President of the Board
 - Past Treasurer of the Board
- Board of Directors, Tallahassee Memorial HealthCare
- Board of Governors, Vice President, Governors Club
- Board of Directors, Treasurer, Buckhead Homeowner's Association
- Past North Florida Outreach Fellow, The Jim Moran Institute of Global Entrepreneurship
- Board Member, Leon County Community Board, Capital City Bank
- Past Board of Directors, 2-1-1 Big Bend
 - Past Chair of the Board
 - Past Treasurer of the Board
- Heart Walk Team Captain, American Heart Association, 2005 and 2006

Awards & Honors

- 2016 Leadership Pacesetter Nominee, Leadership Tallahassee
- 2016 Rock Star Award Nominee, Women Who Mean Business Awards, Tallahassee Woman Magazine
- 2016 "25 Women You Need to Know," Tallahassee Democrat
- 2014 FICPA Women to Watch Emerging Leader Award Recipient
- 2014 Golden A.C.E. Award, Finance Category, Tallahassee Network of Young Professionals
- 2013 Top 26 under 36, FICPA CPA Today Magazine
- 2009 Top 40 Under 40, CPA Technology Advisor Magazine

Licenses/Certifications

- Certified Public Accountant

Education

- Bachelor of Science, Accounting
 - Florida State University
- Masters of Accountancy, Assurance Services
 - Florida State University

Experience

- Years of Experience: 21



Licenses/Certifications

- Certified Public Accountant
- AICPA Not-For-Profit Certificate I & II

Education

- Bachelor of Science, Accounting
 - Auburn University
- Masters of Accounting
 - University of Alabama at Birmingham

Experience

- Years of Experience: 19

Experience

Since 2004, Leigh has been providing assurance, consulting, and other accounting services. Industries served include not-for-profit organizations and foundations, banking, retail, and manufacturing. Her career has been concentrated on serving the not-for-profit industry. Experience includes financial statement and compliance audits, federal and state single audits, reviews, internal control studies, agreed-upon procedures, and consulting. Responsibilities include:

- Planning, fieldwork, and report preparation in the areas of financial and compliance audits.
- Engagement planning, substantive testing, supervising team members, performance of fieldwork, internal control testing, and assistance with report preparation.
- Coordinating services provided and ensuring engagement objectives are accomplished within established timeframes.
- Identifying areas where there were possibilities for improvement and formally communicated such areas.
- Internal control assessment and testing, fraud risk evaluation, financial statement preparation, and various accounting matters associated with government and US accounting standards.
- Providing audit services in accordance with auditing standards generally accepted in the United States, as well as Government Auditing Standards.
- Experienced in planning for and executing single audits 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 OMB Uniform Guidance, Audits of States, Local Governments, and not-for-profit organizations.
- Serves as the engagement Manager, which includes assuming the responsibility for completion of engagements and supervising seniors and staff.

Organizations / Affiliations

- Member of the American Institute of Certified Public Accountants (AICPA)
- Member of the Florida Institute of Certified Public Accountants (FICPA)
- Former Member of the Alabama Society of Certified Public Accountants
- Member of the Florida Society of Association Executives (FSAE)
- Past Board Member, America's Second Harvest of the Big Bend
 - Treasurer
 - Audit Committee Chairman
 - Finance Committee Chairman
- Current Panhellenic Advisor, ADPI, Florida State University



Education

- Bachelor of Science, Business Administration, Concentration in Accounting
 - Southern Connecticut State University

Experience

- Years of Experience: 7

Experience

Since 2016, Alyson has been providing assurance services. Experience includes financial statement audits, pension audits, agreed-upon procedures, financial statement reviews and preparations, and inventory observations.

- Industries served include government, insurance, construction, not-for-profit, health care, manufacturing, real estate, and other for-profit industries.
- Experience in planning for and executing single audits in accordance with auditing standards generally accepted in the United States, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller of the United States, OMB Uniform Guidance, audits of states, local governments, and not-for-profit organizations.
- Perform accounting procedures and analysis for grant and single audit-related expenditures, which require in-depth research and understanding of compliance and qualified cost elements.
- Perform compliance assurance engagements to provide assurance on compliance with Florida Statutes for various governmental and government-funded entities.
- Internal control system documentation and testing for cash receipt, disbursement, and payroll transaction cycles associated with government, not-for-profit, insurance, and for-profit clients.
- Performance of detailed audit testing which includes the performance of predictive tests and source document vouching.

Organizations / Affiliations

- Member of the Florida Institute of Certified Public Accountants (FICPA)
- Next Generation Conference, CPAmerica

Engagement Approach

Specific Audit Approach

At THF, we have learned that compromising on the tools we use in the auditing profession may bring short-term profits but may result in diminished audit quality. As members of the RSM US Alliance, our investment provides access to cutting-edge electronic audit software tools that help us perform a thorough audit in an efficient manner. Our shareholders, managers, and staff attend continuing education classes alongside RSM US personnel, receiving the same national audit training at all levels, from the bottom to the top.

A risk-based audit methodology is used to identify significant accounts and areas with the highest potential for a material misstatement in your financial statements. This methodology forces us to take a fresh look at your operating results and financial position each year. We then adapt our testing and audit procedures to the particular facts and circumstances for that year instead of continuing to perform the same tests on the same group of accounts in the same way, year after year.

Use of Technology

During the fieldwork phase, we will utilize IDEA, a data analysis software package, to perform certain analytical tests, evaluate the completeness of transactions, test journal entries, and identify “red flag” areas that may require more in-depth testing. Such analytical tests may include check gap detection, vendor payment analysis, journal entry testing, and payment stratification associated with disbursement authorization limits. This software allows us to assess the activity associated with the entire population of transactions rather than small samples that may not be representative of the true nature of the activity. The progress of the engagement compared to the timeline, sections completed, and open items pending client action will be communicated through our portal regularly during the audit process.

The audit will consist of three phases, planning, fieldwork, and reporting, as follows:

Phase 1: Planning (With Interim Fieldwork)

We will start the engagement with an onsite meeting well before year-end to establish an engagement timeline, identify new issues likely to impact the audit and agree on the Prepared By Client (PBC) request list. The engagement timeline will identify significant engagement milestones such as:

- Fieldwork start dates,
- Requested PBC items due dates,
- Draft financial statement delivery dates, and
- Board meeting dates

By both of us signing the engagement timeline, we have a joint commitment to the process and an agreement on the engagement timing and deliverables.

Prior to the start of fieldwork, we will ask you to meet with your board of directors or audit committee. The purpose of this meeting is to communicate the timing of the audit, discuss our audit approach, confirm our independence, identify the engagement team, discuss new audit or accounting standards likely to impact the audit and discuss any concerns that the board or audit committee may have regarding the audit process. We will also ask to have an executive session with the audit committee to perform standard inquiries regarding fraud and internal control risk.

Engagement Approach

Phase 2: Fieldwork

We ask that our clients provide the schedules, financial information, and other items on the PBC request list one or two weeks prior to the scheduled start of fieldwork, preferably in electronic format. This lead time allows us to review the information, upload your trial balances into our audit software, perform preliminary analytics, and complete the significant account analysis with year-end balances rather than interim amounts prior to the beginning of fieldwork. Third-party confirmations may also be completed and sent during this time period so that we receive the responses early in the engagement.

Fieldwork will be performed under the direct supervision of an assurance services shareholder and manager. Certain preliminary work can be performed at our office in Tallahassee; however, we anticipate being onsite until all significant fieldwork testing has been completed.

Phase 3: Reporting

We will draft the financial statement reports at the end of fieldwork in accordance with the engagement timeline, with sufficient time for your staff to review them and ask questions prior to the audit committee meeting. During this time, we will complete the shareholder-level review, finalize our work paper documentation, and perform an independent review of the engagement file to ensure compliance with auditing standards and to determine that our workpapers properly support the audit conclusions in accordance with firm policy.

When we provide the draft financial statements, we will provide the client representation letter for you to prepare and sign. We will also provide a draft of the Report to Those Charged with Governance and our report on internal control (or management letter).

We will be available to discuss and review these draft financial statements and reports during a meeting with the audit committee, who will be provided the opportunity to ask any questions they may have about the audit process or the financial statements.

Once the audit committee has approved the financial statements, final copies will be prepared electronically for distribution to you. Hard copies will be prepared for distribution or your records, as requested. We will attend the Board of Directors meeting to present our audit results and answer any questions the Board may have regarding your operations and the financial statements.

Unique Audit Process

Our audit process distinguishes us from our competitors due to our use of extensive experience using IDEA, a data extraction software. IDEA enables us to compare and evaluate multiple independent databases. This allows us to be more efficient and cost-effective with our performance of audit procedures and has proven highly effective in identifying findings and recommendations. In addition, due to our large not-for-profit practice, we can use our extensive experience and significant knowledge of the not-for-profit industry to customize our approach.

Engagement Approach

Approach to Communications on Internal Control and with the Audit Committee (or Board)

One of the most significant products of our audit services is our communications on internal control. We view these communications as a means by which we can assist our clients in a positive and constructive manner, beyond expressing an opinion on their financial statements and delivering timely and appropriate communications on internal controls and management recommendations. Our communications on internal control will describe the objective of our assessment of controls and report identified control deficiencies, if any, and satisfy all professional and regulatory reporting requirements relating to your internal controls.

In addition to the required content of our report to the audit committee, we will also ensure that the audit committee is kept abreast of the progress of the audit, including any identified fraud risks, control deficiencies, or significant audit adjustments, as appropriate. We will also provide recommendations related to operational efficiencies, best practices, and recommendations for strengthening internal controls in the form of a management letter to the extent such observations are identified. When writing our recommendations, we strive always to give practical advice that recognizes our client's philosophy and style of doing business. We are particularly concerned that the "fix" does not exceed the tangible benefit and fits our client's needs and structure.

We will review our findings with management on an ongoing basis and again before a permanent record is made of the findings in our written communications. This approach assures complete understanding by all parties of all the facts and circumstances surrounding each finding. Moreover, management will remain informed as to the progress of the audit on a continuing basis which will permit you to take immediate action, if necessary, on any issues which may arise. At the conclusion of the audit, we will present a draft of the findings to management in order to obtain your response to each item included in the report. Our final report will be presented to the audit committee for their review, and we will be pleased to make an oral presentation.

Remote Audit Environment

THF has a full suite of video conference capabilities that can be used for project kick-off meetings and other meetings as needed. Our firm has successfully transitioned requested engagements to be completely remote and can continue to perform audits remotely depending on the needs of the client.

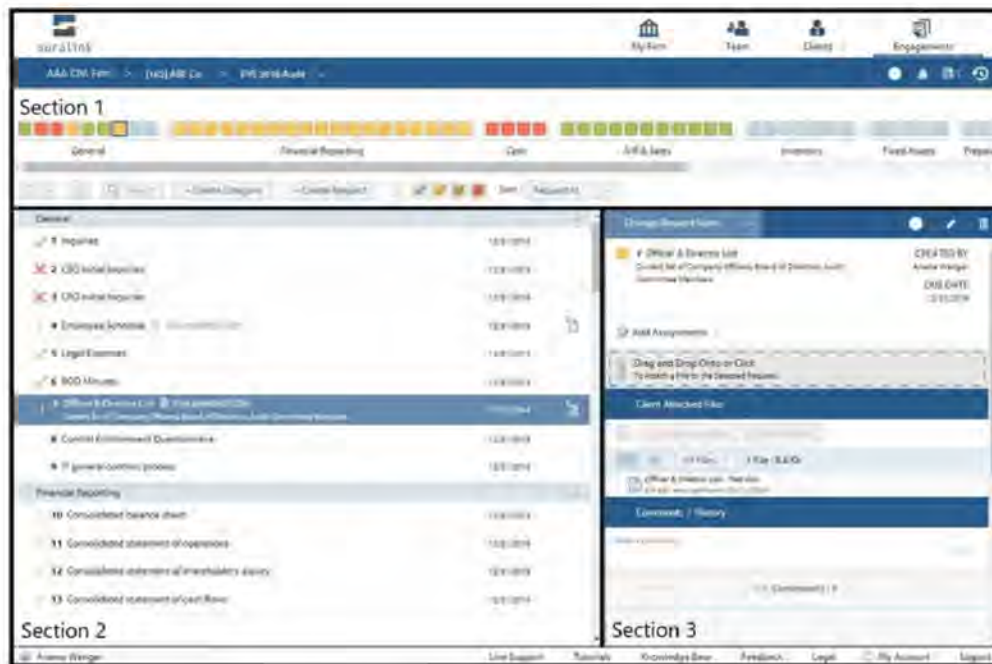
Engagement Approach

Client Assistance

While we take responsibility for managing the timeliness of the engagement, our ability to do so is dependent on a certain level of assistance from management. Planning meetings to assign responsibility to both engagement staff and client personnel will help ensure the engagement is completed in a timely manner. Our approach is designed to minimize any disruptions to management associated with the execution of our procedures. Additionally, our approach is designed to utilize management’s reports, schedules, and analyses.

Additionally, we have a client request list software and portal. The portal allows both the client and the engagement team to monitor the progress of the requested items. The portal has a chat feature that allows for questions on items by either the client or the engagement team. The portal is archived once the work is complete. The archive is available to view items if needed while completing the subsequent year’s request list. Please see the screenshot of the portal below.

We will coordinate with management regarding items needed and our expected timeline well in advance of the start of the engagement. We believe proper preparation and planning by both of us is the key to a successful engagement.



Price Quote

We look forward to building a relationship with you that is both professionally satisfying and makes sound business sense. A mutually satisfying relationship must be grounded in a good value for you and a fair fee for us. We are confident that you will find that the value of a relationship with us will exceed the cost of the engagement fees many times over.

In developing our proposed fee for you, we considered many factors, such as the time of year services are provided and our desire to serve and include you as one of our valued clients. We believe our proposed fee reflects these considerations. *If our fee estimate is not within your expectations, we would appreciate the opportunity to discuss the assumptions used in developing our fee in relation to your expectations.*

Our proposed fees are based on the following assumptions:

- The overall condition of your financial and accounting records is satisfactory, and adjusting journal entries are minimal.
- No significant changes in operations.
- Audit fieldwork will be performed in August/September.
- We will receive support from your accounting personnel necessary for preparing requested schedules and other supporting documentation before we commence fieldwork.
- Requests made for additional items during fieldwork will be turned around in 24 hours or less when possible.
- Cost allocation methodologies are supported by sufficient documentation.
- There will not be a need for substantial research of unforeseen technical issues or new accounting or audit pronouncements for us to complete our audit.

If there are changes in the scope of services or circumstances, we will discuss the issues with you before incurring additional time and fees. Because it is our philosophy that many time-consuming issues at year-end could be resolved or avoided by brief phone calls or questions throughout the year, we encourage our clients to call with questions regarding accounting, tax, or operational matters as they occur.

We will not bill you for standard inquiries or questions throughout the year. These inquiries and questions are included in the above fee. If the answer to your question requires research or significant time by our professional staff, we will let you know upfront.

Pricing Discounts for Not-For-Profit Organizations

Our rates for our not-for-profit clients are discounted from our standard rates. We do this primarily because of our commitment to the not-for-profit industry, and we know that the primary purpose of your funds should be spent, first and foremost, on your mission.

Price Quote

Our fees will be based on hours worked by the various levels of personnel, at rates applicable to each, plus out-of-pocket expenses, if necessary. Our fees are billed monthly as incurred. Our fees for services and our hourly fees are as follows:

Personnel Level	Hourly Rate
Shareholder	\$300
Director	\$225
Manager	\$200
Senior	\$175
Staff	\$125
Admin	\$60

Services	Fee
Audit Services	\$19,500

Value-Added Services

Commitment to Providing Education & Updates

We understand the importance of being kept apprised of topics and issues that affect you and your industry. Therefore, we are in constant contact with our clients throughout the year to stay informed about matters impacting their daily operations and their strategic goals. Through these meetings, we also share our knowledge of industry matters, changes to accounting standards, and changes to reporting practices that may require proactive strategies to yield optimum outcomes.

Board Certified Education Provider

THF is certified by the Board of Accountancy to provide continuing education courses that qualify for Certified Professional Education (CPE) credit. Over the last few years, we have taught courses to clients and other associations on topics such as the Form 990, non-qualified deferred compensation plans, fraud prevention, how to be a valuable board member, audit committee responsibilities, and other topics. We stay well-informed on these topics to allow us to consult with our clients on how to solve complex issues with the most beneficial or creative solutions.

Internal and External Presentations

Because our team members focus on specific industries, they have extensive knowledge and expertise in their areas of practice. Allison Harrell, your engagement shareholder, has given presentations on a multitude of not-for-profit-related topics to the Florida Society of Association Executives and Leadership Tallahassee's Building Better Boards program. As new standards are released, and the effective date for other standards draws near, we will continue to give presentations and set up meetings with our clients to ensure your team is adequately prepared for the new changes. In addition, our IT and Assurance Services Director, Michael Rosciam, has given many and continues to give presentations on cyber security preparedness. Our tax team has presented the CARES Act Funding for multiple forums while also meeting one-on-one with our clients who needed special attention to the multiple changes to ensure tax compliance.

Webcasts

Through our membership in the AICPA's Government Audit Quality Center and the Not-For-Profit Section, we have access to numerous webcasts, both live and archived, many of which we invite clients to participate in. We recently hosted a webinar that covered some of the new revenue recognition standards and the top five things the board should know about financial reporting.

Individualized Training and Roundtables

If specific needs or unusual issues arise during the year that requires specific attention or in-depth knowledge, we can prepare individualized training. If a group of our clients is experiencing the same issue, we will host small-group roundtable discussions, which allow brainstorming on potential issues along with the best solutions. We have facilitated many meetings for these purposes, including topics on internal controls, fraud risk, not-for-profit benchmarking, audit committee responsibilities, financial statement preparation, Form 990 revisions, and many others.

Email Updates

THF maintains a database of contacts within not-for-profit organizations to send out relevant and timely updates on issues they may be facing.