

■ Proposal for  
Professional Services

■■ Prepared for  
**Workforce Investment Board of the  
Southwest Region, Inc.**

■■■ March 7, 2019



**Amanda M. Schultz, CPA  
Member Owner**

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March 7, 2019

Board of Directors  
Attention: Mr. Rob Copher, Fiscal Manager  
Workforce Investment Board of the Southwest Region, Inc.  
P.O. Box 1706  
420 Grand Avenue  
Joplin, MO 64802

Dear Mr. Copher:

We are pleased to present this proposal for audit and related services to the Workforce Investment Board of the Southwest Region, Inc. (the Board) for the fiscal year ending June 30, 2019, and optional years ending June 30, 2020 and 2021. We appreciate the opportunity to have served as the Board's auditors and look forward to extending this mutually beneficial relationship.

As the largest CPA firm in Central Missouri, Williams-Keepers LLC (WK) has the largest not-for-profit organization practice in the area. Our firm is a leader in advising not-for-profit entities on pertinent accounting, auditing (including Single Audits) and tax issues. As a result of the firm's size and our membership in Allinial Global, WK provides its clients with the range and depth of services and resources typical of large regional firms.

The details of this proposal outline our understanding of the engagement requirements, our approach, our background and qualifications and our proposed fees.

We look forward to the opportunity to continue to serve the Board. If you have any questions about our proposal, please contact me at (573) 442-6171.

Sincerely,

WILLIAMS-KEEPERS LLC

Amanda M. Schultz, CPA  
Member Owner

## ■ APPROACH TO ENGAGEMENT / WORK PLAN

### Engagement Understanding

We have reviewed the Board's request for proposal (RFP) and will comply with all of the requirements included in that document.

We will audit the Board's financial statements for the fiscal year ending June 30, 2019, and issue an opinion on the fair presentation of the Board's financial statements in accordance with U.S. generally accepted accounting principles. Our audit will be conducted in accordance with U.S. generally accepted auditing standards, government auditing standards issued by the Comptroller General of the United States and the laws and regulations specified in your RFP.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement, whether from errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations that are attributable to the Board or to acts by management or employees acting on behalf of the Board.

We will also prepare the Internal Revenue Service (IRS) Form 990 and related schedules for the Board for the year ending June 30, 2019. Our staff is well-acquainted with the preparation of the Form 990 and can assist the Board with preparation of an accurate and complete document. We are also available, if desired, to meet with the Board's Board of Directors to ensure its members have a clear understanding of the contents of the Form 990.

At this point, we do not anticipate any significant issues or problems with any aspect of the Board engagement.

### Audit Focus

We assess risk of financial misstatement and concentrate our audit efforts in those areas most likely to have misstatements. Our knowledge of the Board's services and operations gained from our previous experience as the Board's auditor, your recently issued RFP, as well as our audit experience with audits of similar not-for-profit entities, indicates the primary areas of audit focus in a typical year include:

- cash and cash equivalents;
- grant revenues and related receivables and payables;
- functional classification and allocation of expenses;
- compliance auditing of major federal programs;
- compliance with laws and regulations;
- any special transactions or situations with financial management or reporting significance;
- implementation of pronouncements of the Financial Accounting Standards Board (FASB);
- reporting in the financial statements in accordance with U.S. generally accepted accounting principles; and
- reporting in accordance with government auditing standards and the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Our actual audit procedures will be designed in response to our initial risk assessment and may involve tests of controls, tests of substantive details, confirmations, inquiry and observation, recalculations or analytical review. In selecting items to test, we may only select a few items to test in order to determine whether controls have been implemented. For testing substantive balances or tests of controls, we may use a non-statistical sampling method developed to approximate a statistical sample size and select items using a random or judgmental selection process, depending on the items involved. Analytical review may include comparisons to prior year or budget, comparisons to expected outcomes, comparisons to other available data, comparisons of averages, recalculations, or other similar methods. In general, the more significant the risk to the financial statements, the more in-depth the audit procedures selected to audit the balances will be. Significant risk areas will typically be addressed through a variety of audit procedures.

## Single Audit Experience

WK professionals have significant knowledge and experience in auditing federal programs. The four audit partners who serve on the firm’s not-for-profit team each have many years of experience performing and supervising federal program audits. One of the ways we maintain our expertise is through the educational opportunities and other resources provided to us through our membership in the AICPA’s Governmental Audit Quality Center, which is discussed further in the “Firm Overview” section of this proposal.

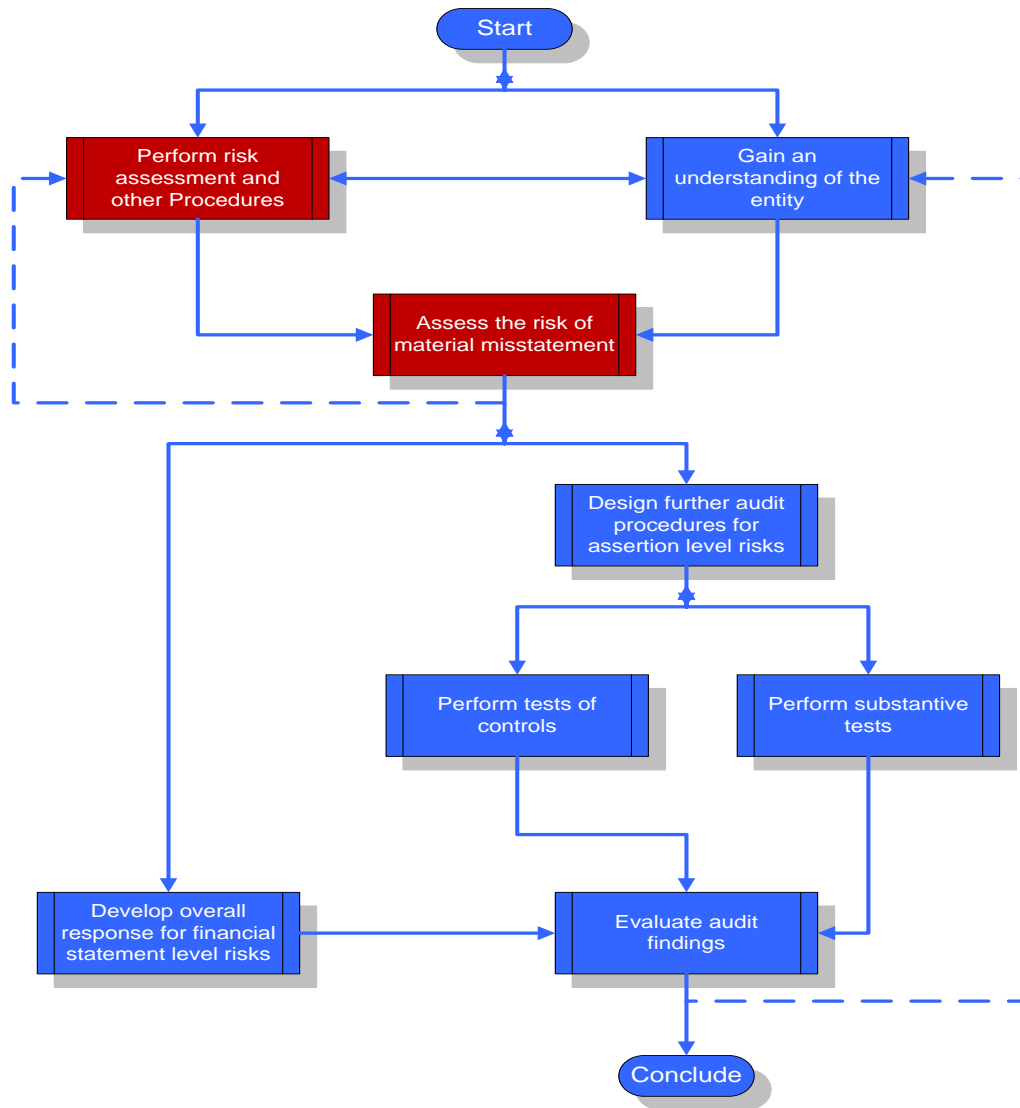
To follow is information about the number of Single Audits we currently perform.

|                              |                         |
|------------------------------|-------------------------|
| Higher education             | 7                       |
| Not-for-profit organizations | 6                       |
| Municipalities               | 3                       |
| Other governmental entities  | 1                       |
| County                       | <u>1</u>                |
| <b>Total</b>                 | <b><u><u>18</u></u></b> |

The most relevant qualification for performing a Single Audit of federal programs is the general understanding of the requirements of and having significant experience in auditing federal programs. This is due to the common audit approach across federal programs for all federal departments and agencies that is inherent in the Uniform Guidance and the related Compliance Supplement. Although this is the best indicator of a CPA firm’s preparation for performing a Single Audit, efficiency and effectiveness of an entity’s Single Audit is typically improved by prior experience with an entity’s specific programs. WK has experience in auditing many of the same federal programs for which the Board is receiving funding in its fiscal year ending June 30, 2019.

## Phases of the Audit Engagement

WK provides value to our clients by creating a custom audit approach that is based on a client's specific needs, risks and opportunities. Our audit approach is depicted in the graphic that follows.



Our professional responsibility is to obtain sufficient audit evidence before an opinion is rendered on any financial statements. To achieve this, we typically conduct our work in the following phases:

- audit planning and risk assessment;
- interim fieldwork;
- final fieldwork; and
- reporting and wrap-up.

Additional detail about these phases and other information follows.

## Audit Planning and Risk Assessment

We will schedule audit planning work and any interim fieldwork to be done prior to final fieldwork with the Board's Executive Director or her designee. Our work will be scheduled and completed so as to provide our audit reports to the Board's Executive Director as outlined in the Board's RFP.

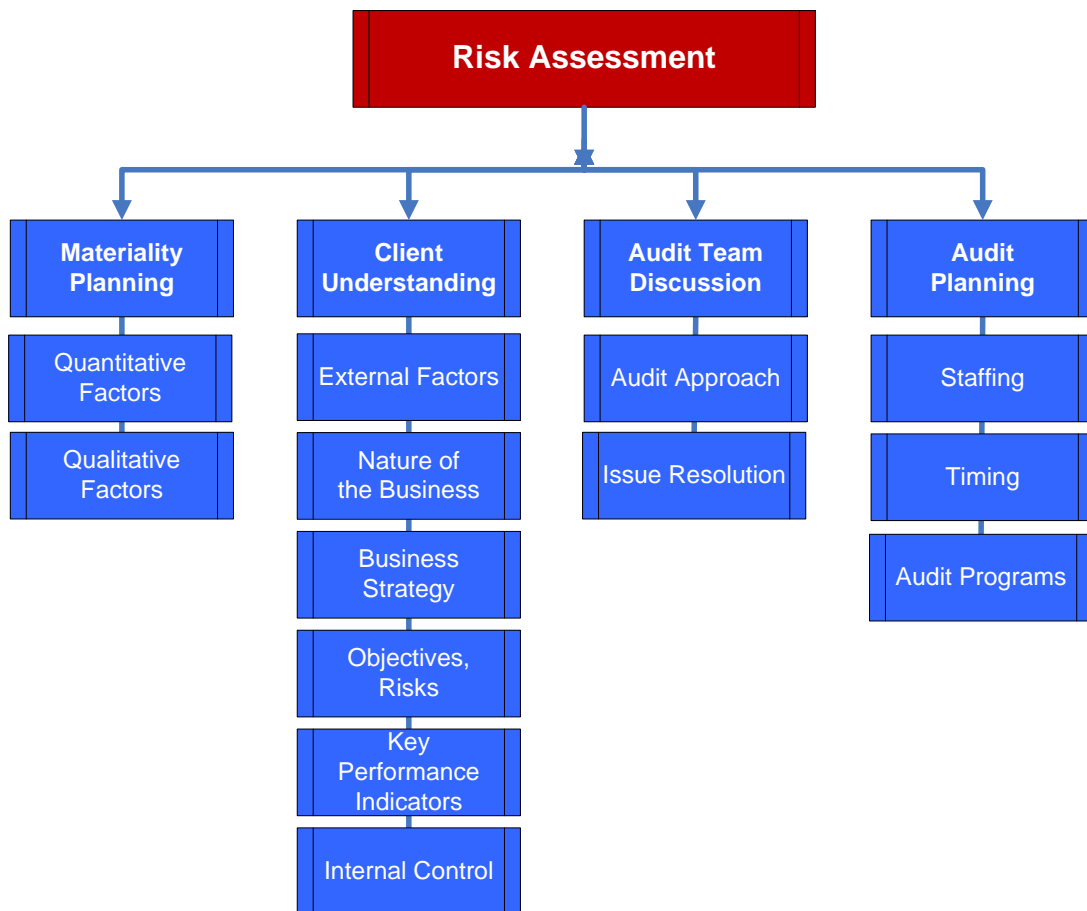
We will hold a planning work session that will include the key members of the engagement team. This work session may include a meeting with appropriate management officials and staff.

The purpose of this planning session will be to plan for many important activities, including:

- updating our understanding of the Board and its environment, including its internal control;
- updating our understanding of the key laws and regulations as well as significant grants and contracts;
- evaluating the design of the Board's relevant controls and determining whether they have been implemented for significant balances and transaction cycles;
- reviewing financial statements and minutes, making inquiries of management and others and performing analytical reviews to familiarize ourselves with the Board's year-to-date results and activities;
- conducting a brainstorming session with the engagement team to discuss fraud and other audit risks;
- identifying significant balances and transaction cycles on both a qualitative and quantitative basis, and the related risks of material misstatement;
- performing a risk assessment process to identify significant risks to be addressed by the audit;
- designing efficient and effective audit procedures to address identified significant risks;
- establishing initial audit scopes;
- identifying opportunities for use of IDEA data extraction computer software;
- preparing a list of schedules and documentation to be prepared by the Board ("PBC" listing), with examples as necessary;
- identifying confirmations and other correspondence needed to help ensure responses are received in a timely manner;
- discussing any specific concerns with respect to the audit with appropriate Board officials and staff, so they can be incorporated into our audit plan; and
- adjusting our time estimates and work assignment allocations among staff, as necessary.

As part of that process, we will communicate with management and the Board's Executive/Finance Committees to discuss the scope and timing of the audit.

The risk assessment process requires gaining an understanding of internal controls over the Board's financial reporting and compliance and determining the areas that present risks of material misstatement to the Board's financial statements. We then design our audit approach to include tests of specific internal controls and substantive audit procedures tailored to the identified risks. Our risk assessment includes consideration of the factors depicted on the chart that follows.



During our planning session with management we will also conduct certain meetings and interviews and perform and document certain procedures for identifying and responding to fraud risks.

As part of the audit planning and risk assessment phase of the audit, we typically communicate with the Board’s Executive Committee Chairman to discuss our planned audit approach, significant audit and accounting issues and to address any concerns of which the Board of Directors is aware.

## Interim Fieldwork

The planning process does not have a definite start and end date. Instead, it is an on-going process that will start prior to interim fieldwork, continue through interim fieldwork and into our final fieldwork. In addition to our previously identified planning and risk assessment procedures, WK typically performs audit procedures designed to:

- update our understanding of the Board’s internal controls and perform walk-throughs to test implementation of significant controls;
- test internal controls for effectiveness in areas where we plan to place reliance;
- update permanent files of pertinent information, which will be useful on a continuing basis;
- review significant contracts and grant agreements;
- test certain substantive balances or transactions;
- review financial and other management information systems;
- review and document information technology (IT) operations and controls; and
- test internal controls as required under the Single Audit.



## Final Fieldwork

During the final phase of our audit, we complete our audit work based on the audit programs designed specifically for the Board. This will include the results of our risk assessment and interim testing results.

This phase includes:

- follow-up on any confirmations outstanding and issues noted during our interim procedures;
- completion of substantive testing of the Board's significant account balances, transaction cycles and compliance;
- analytical testing of certain general ledger balances and financial statement amounts;
- inquiries related to procedures and corroborative techniques;
- completion of Single Audit procedures;
- review of the Board's supporting documentation for disclosures in the financial statements; and
- correspondence with the Board's attorneys regarding possible contingent liabilities and outstanding claims.

## Reporting and Wrap-Up

This phase includes the following considerations.

- Auditors' reports, financial reports, auditors' communication letter, management letter(s), and any other final correspondence are drafted by team members, to the extent drafting was not completed during fieldwork.
- Open items are resolved (confirmation letters not returned during fieldwork, additional documentation, etc.).
- Final partner review of audit documentation and reports is performed.
- Draft copies of all "deliverables" are provided to client's management personnel for review.
- Meeting or conference call held with the Board's management to discuss the draft reports and the overall audit process and resolve all questions.
- Final signed reports are delivered.
- Presentation of final audit reports is made to the Executive/Finance Committees and/or the full Board of Directors.

WK will prepare drafts of the auditors' reports, financial statements, footnotes and supplementary information subject to the Board's review and approval. Management will be responsible for providing us with the information to prepare the aforementioned financial statements, footnotes and supplementary information and for reviewing and approving all reports.

We will complete our portion of the Data Collection Form (DCF) required by the Single Audit and will assist the Board, as needed, with completion of its portion of the DCF electronic filing.

We will assemble all information and bind six copies of the auditors' reports, financial statements and supplementary information. An electronic copy of the information will also be provided.

## Use of Technology

Our audit team uses laptop computers in the field to perform the Board's audit. We use a software product called Engagement to eliminate all of the paper documentation from our files and to promote efficient preparation of schedules and memos and to link data. Documents provided in electronic format to our audit team as well as other documents we prepare using Excel spreadsheets, word processing and other specialized software products are incorporated into our audit files and organized using Engagement.

We also use, to the extent possible, IDEA, a computer-assisted audit technique program. IDEA's main function is data mining and sorting and testing information from our clients' financial systems software and, possibly, other databases for analytical, control and compliance audit purposes. We use Excel extensively during our audits but have found it limited in scope in certain circumstances for which IDEA has proven to be a better option.

## Assistance from the Board's Staff

We will schedule work around your needs and remain sensitive to the timing that works best for your staff, while maintaining an organized and disciplined audit process. We will attempt to minimize interruptions to the Board's staff. During the audit, we will look for opportunities to share our knowledge with the Board's staff to help them improve their productivity.

The most efficient and cost-effective audit results from our clients' assistance during the audit in providing and locating documentary evidence of balances to be reported in the financial statements, providing schedules of federal financial assistance and certain accounts or transactions, and being available during fieldwork to discuss operations and respond to questions. Our planning process involves working with our clients to identify the most cost-effective means for them to provide us assistance with the least amount of special work done just for the external auditors.

## Record Retention

We will retain all working papers and reports related to this engagement for a minimum of five years and will make them available to the Board, parties designated by the federal or state governments as part of an audit quality review process, and as required under applicable auditing standards.

## Subsequent Years' Engagements

There will not be a significant change in our approach in subsequent years' engagements. There are certain areas and/or procedures of the audit we may choose to rotate from year to year, and we do analyze areas in which to vary our audit procedures. However, our procedures conducted in our planning, interim and final fieldwork phases of the engagement remain essentially the same. We will work with management to identify areas to increase efficiency of audit procedures and improve documentation.

## ■ ■ FIRM OVERVIEW

Williams-Keepers LLC (WK) is a certified public accounting firm formed 96 years ago in Columbia, Missouri, and the firm currently has offices in Columbia and Jefferson City. The largest firm in Central Missouri, WK is the fourth largest independently held public accounting firm in the state of Missouri, based on the number of certified public accountants (CPAs) on staff.\*

Our firm does not operate as separate offices. Instead, our teams are comprised of staff from both offices, ensuring the best mix of expertise is assembled for each engagement. WK partners and associates collaborate to work on industry-specific teams that serve the needs of a variety of industries, including governmental entities, not-for-profit, employee benefit plans, insurance, closely held businesses, real estate development, construction, agribusinesses, financial institutions, healthcare and higher education.

Our collaborative approach allows members of our industry teams to participate in frequent continuing professional education opportunities and remain up-to-date on changing industry trends, ensuring that our clients are served with the efficiency, expertise and resources required in today's marketplace.

### Our Commitment to Our Clients

WK's mission lies at the forefront of our work with clients and valuable relationships we enjoy in the Central Missouri community. WK pledges to deliver superior service and creative solutions to exceptional clients using extensive specialization and resources with unmatched dedication. This commitment applies to all our clients, no matter how small or large they might be or the complexity of their need for professional financial services and consulting.

Our staff is the key to helping us deliver on this commitment. Detailed information about our staff follows.



*WK's Columbia office is located in the Shelter Office Plaza at 2005 West Broadway, at the intersection of West Broadway and Stadium Boulevard.*



*WK's Jefferson City office is located at 3220 West Edgewood on the city's rapidly expanding west side.*

#### Staff Listing - Departments

|                  |                   |
|------------------|-------------------|
| Tax              | 48                |
| Audit            | 29                |
| Administration   | 31                |
| Special Services | 3                 |
| <b>Total</b>     | <b><u>111</u></b> |

#### Staff Listing - Professional Levels

|                  |                   |
|------------------|-------------------|
| Member Owner     | 15                |
| Manager/Director | 19                |
| Supervisor       | 4                 |
| Senior           | 19                |
| Staff            | 37                |
| Seasonal         | 17                |
| <b>Total</b>     | <b><u>111</u></b> |

#### Total Staff - By Office

|                |                   |
|----------------|-------------------|
| Columbia       | 74                |
| Jefferson City | 37                |
| <b>Total</b>   | <b><u>111</u></b> |

#### CPAs - By Office/Firmwide

|                |                  |
|----------------|------------------|
| Columbia       | 36               |
| Jefferson City | 17               |
| <b>Total</b>   | <b><u>53</u></b> |

\* - Based on information compiled by Williams-Keepers LLC.

## Independence/Prior Experience

WK is independent with respect to the Board as defined by U.S. generally accepted and government auditing standards. Aside from serving as the Board's independent CPA firm, we have had no professional relationships with the Board for the past five years.

## License To Practice In The State Of Missouri

WK and members of its professional staff are appropriately licensed as required by the Missouri State Board of Accountancy.

## Other Considerations

WK is a member of both the Missouri Society of Certified Public Accountants (MOCPA) and the American Institute of Certified Public Accountants (AICPA).

WK has not had any disciplinary actions imposed by federal agencies, the AICPA, the Missouri State Board of Accountancy or the MOCPA, nor has there been any pending legal action against WK with regard to substandard audit work.

## Benefits WK Provides Compared With Local Firms

WK is a unique alternative to local accounting firms. We believe our significant advantages over local firms include the following considerations.

**Relevant expertise.** We are able to assign to your engagement professionals who have expertise relevant to the Board. Through specialized continuing education and specific experience in working with not-for-profit entities, including those that require Single Audits, members of our team stay abreast of the latest issues facing you.

**Allinial Global.** Our Allinial Global membership provides us with national resources typically available only to a national accounting firm. This affiliation has proven very beneficial in accessing specialized skills and knowledge that we might not have within our firm.

**Multiple and varied services at every level.** We offer the greater variety of services that organizations like the Board typically require in today's marketplace. This broad base of services typically would allow you to utilize one firm for all of your professional accounting, attestation, tax and other related services, even as your needs change.

**Quality control.** We ensure ongoing quality by voluntarily subjecting our audit and accounting practice to a regular review in connection with our memberships in the AICPA, the AICPA's Governmental Audit Quality Center and the Employee Benefit Plan Audit Quality Center.

## Benefits We Provide Compared With National And Regional Firms

WK is an attractive alternative to national and regional accounting firms. We are able to provide comparable quality and many of the services typically associated with national and regional firms while still offering the benefits of a local firm. We believe we offer many significant advantages to you compared with these firms, including the following considerations.

**Excellent services for a lower cost.** We provide variety and quality of services typically associated with the national and regional firms; however, our standard hourly rates are less than a national or regional firm partner or professional staff member with comparable experience.

**Partner involvement.** The engagement partner assigned to our audits typically spends significantly more time in providing services than a national or regional firm partner. This means that the average years of experience of the team weighted for the time involved may significantly exceed that for an audit conducted by these firms.

**Additional services rarely provided by national and regional firms.** The fee structure of most national firms and regional firms can be a barrier to providing general accounting assistance, informal consultation, and compliance assistance at a reasonable cost. WK, however, provides a wide range of these services.

## Quality Control and Resources

WK has a written quality control document that describes our quality control with respect to independence, integrity and objectivity; personnel management; acceptance and continuance of clients; engagement performance; and monitoring for compliance with our quality control system. Every three years, WK undergoes a peer review, conducted by outside CPAs, of our audit and accounting practice. A copy of our most recent peer review report is included in Appendix A.

## How Our Clients Benefit From Allinial Global

Because we recognize the complex nature of the practice of public accounting, we augment our internal capabilities through our membership in Allinial Global ([www.allinialglobal.com](http://www.allinialglobal.com)). This affiliation has been of significant benefit to us in providing quality service to our clients. Allinial Global is an association of accounting and consulting firms whose members reinforce client service by exchanging expertise, resources, and advice in a wide range of industries. Founded in 1969, Allinial Global is 100 members strong and growing, with locations throughout the US, Canada, Mexico, Caribbean, and the larger world generating approximately \$1.6 billion in collective revenues.

Allinial Global provides dedicated regional liaisons with extensive connections in the Americas, EMEA (Europe, Middle East, Africa), and Asia-Pacific. It also promotes connectivity through global relationships with both individual and organizational members and partners.

As an Allinial Global member, WK is proud to be an independently owned firm that has passed the high threshold of association membership. Though each accepted firm excels in its own right, the strong relationships developed between peer firms combined with a free and fruitful exchange of ideas ultimately advance all of our service outcomes.

We also ensure our continual competitive improvement in the ever-evolving business landscape by taking advantage of Allinial Global's professional development and technical training, thought leadership, and industry-specific resources. Due to their technical excellence, many Allinial Global members have been appointed to prestigious committees and boards, such as the AICPA's Technical Issues Committee, Employee Benefit Plans Expert Panel, Forensics and Valuation Services Executive Committee, and numerous State Boards of Accountancy.

Most important, though, is the shared Allinial Global commitment to provide the most client-centric service possible. When needed, we have the ability to leverage our membership in order find not just an adequate solution to your business needs, but the best-in-class solution anywhere in the world.

## Continuing Education

Partners and members of our firm's professional staff have the benefit of a planned program of professional development and continuing education through conferences and seminars sponsored by Allinial Global and other national and state professional groups, "in-house" seminars, and disciplined self-study. WK's continuing education program ensures that all auditors are educated about changing accounting and auditing standards. Each partner and professional staff member is required to complete a minimum of 20 hours of continuing education each year and 120 total hours over a three year period. WK also ensures the continuing education requirements of generally accepted government auditing standards are met for the firm's auditors who perform Single Audit and related compliance services. In addition, our extensive client base provides ample opportunity for our staff to develop their skills in a structured environment of close supervision by experienced and talented professionals.

## Related Services Available

WK offers a full complement of services. We would be available to perform these services for the Board throughout the year as well as for informal consultations. A brief outline of these services follows.

**Industry Audit and Accounting Specialists.** The complexity of business and governmental regulations often require an accounting professional's thorough knowledge of an industry and specific functional areas. Because of our industry teams, our professionals develop specialized industry knowledge. In addition to traditional financial statement audits, our audit professionals also offer specialized attest and assurance services tailored to the needs of an organization. WK can also assist in the implementation of new accounting standards.

**Tax Services.** WK's tax department is equipped to offer assistance in the preparation of tax returns, dealing with taxing authorities, and performing advanced tax planning and tax consultation in income, estate, gift, exempt organizations, franchise, sales and payroll taxes at local, state, and federal levels. We maintain extensive electronic research services and have ready access to professionals outside our firm through Allinial Global.

**Employee Benefit Planning Services.** A strong employee benefits plan can attract and help an employer retain the best talent available in the market. Our employee benefits consultants save our clients time and money while developing a comprehensive benefit plan to meet the needs of their employees. In addition, our employee benefit plan audit services can help satisfy Department of Labor requirements. WK offers services related to plan administration, plan design and implementation, retirement planning and consulting, cafeteria plans, plan documents and administrative forms, reports to participants, tax filing and plan audits.

## ■■■ NOT-FOR-PROFIT EXPERIENCE & REFERENCES

### WK's Not-For-Profit Industry Team

WK's dedicated, highly trained and experienced not-for-profit industry team provides depth and flexibility in serving entities that follow not-for-profit accounting standards. Our team provides audit, tax and other professional consulting services to a wide variety of not-for-profit entities, including statewide and national membership associations, charitable foundations, colleges and universities, governmental entities and other special-purpose entities. We have developed this team using a variety of methods, including:

- early identification of staff to be assigned to not-for-profit entity engagements;
- development of not-for-profit master engagements, which have audit programs, checklists, tools and aids specific to not-for-profit entities;
- assignment of staff to a variety of not-for-profit engagements to gain experience;
- participation in not-for-profit industry training programs; and
- annual not-for-profit team retreats to discuss accounting and auditing issues for the not-for-profit industry.

WK is a member of the two current AICPA divisions that are designed to help ensure high quality audit services – the Governmental Audit Quality Center and the Employee Benefit Plan Audit Quality Center.

### Governmental Audit Quality Center



WK is a member of the AICPA Governmental Audit Quality Center, which was created in 2004. The Center was created to, among other things, serve as a comprehensive resource on governmental audits for member firms, create a community of firms that demonstrate a commitment to governmental audit quality, and provide an online forum tool for members to share best practices and discuss governmental audit issues. Membership, which is voluntary, requires a firm's commitment to audit quality in the critical area of governmental audits, including those performed under *Government Auditing Standards* and Uniform Guidance, *Audits of State, Local Governments, and Non-Profit Organizations*. Additional information about the Center can be accessed at <http://gaqc.aicpa.org/>.

### Employee Benefit Plan Audit Quality Center



WK is a member of the Employee Benefit Plan Audit Quality Center, which is a voluntary membership organization for firms that perform ERISA employee benefit plan audits and have demonstrated a commitment to audit quality.

The Center provides members with communication of regulatory developments, best practices guidance, technical updates and an online forum for sharing discussions on audit, accounting, and regulatory issues. Member firms must meet on-going requirements covering quality control, education, and communication. Additional information about the Center can be accessed at <http://ebpaqc.aicpa.org/>.

## References

WK has extensive experience in auditing not-for-profit organizations, some of which require audits under Uniform Guidance. To follow is a representative group of not-for-profit and governmental clients and officials to contact. In addition to the following entities, all of which required a Single Audit, we currently provide audit services to approximately 40 other not-for-profit organizations.

### **Cole County, Missouri**

*Jefferson City, Missouri*

Kristen Berhorst, County Auditor - (573) 634-9122

Services Provided: Audit, Consulting

Engagement Member Owner: Amanda M. Schultz, CPA

### **Missouri Coalition Against Domestic and Sexual Violence**

*Jefferson City, Missouri*

Colleen Coble, Executive Director - (573) 634-4161

Services Provided: Audit, Tax, Consulting

Engagement Member Owner: Ryan P. Henry, CPA

### **Knowledge Management Associates**

*Columbia, Missouri*

Richard Royer, CEO - (573) 817-8300

Services Provided: Audit, Tax, Consulting

Engagement Member Owner: Amanda M. Schultz, CPA

### **Missouri Coalition for Primary Health Care**

*Jefferson City, Missouri*

Laura Rankin, Director of Finance - (573) 636-4222

Services Provided: Audit, Tax

Engagement Member Owner: Amanda M. Schultz, CPA



## ■■■■ ENGAGEMENT TEAM

Audit services for the Board will be assigned to a team consisting of a client contact and audit engagement member owner, a concurring review member owner, a tax owner, an audit manager and one or two assisting auditors. The client contact and audit engagement partner will be responsible for seeing that all services are carried out in accordance with the firm's and professional standards. She will directly supervise the audit manager and will coordinate this work with the rest of the engagement team. The audit field work will be planned by the audit engagement member owner and audit manager, with appropriate involvement of the other staff assigned to ensure they understand the aspects of the Board operations on which they will be working.

The audit manager will review all audit work performed by the other staff auditors. The client contact and engagement partner will coordinate performing a review of the entire audit engagement and all reports, paying attention to the sensitive areas of the audit and the areas in which judgments have been made by the audit manager.

The tax engagement partner will manage preparation of the Form 990 and related schedules and extensions, as necessary.

Resumes of the supervisory team to be assigned to the Board engagement follow.



### Client Contact and Audit Engagement Member Owner Amanda M. Schultz, CPA

***Amanda will serve as the client contact and audit engagement member owner for the Board's engagement. She will ensure that all services provided to the Board are in accordance with professional standards. Amanda will work with the audit manager to plan the engagement and provide on-site supervision for the audit seniors and staff assistants assigned to the engagement. Amanda has been selected because of her experience with serving on numerous not-for-profit audits and Single Audits.***

Amanda specializes in audits of governmental, not-for-profit and higher education entities. A leader of WK's not-for-profit, governmental and higher education teams, Amanda graduated magna cum laude from the University of Missouri with a Master of Accountancy degree. She joined WK in 2008.

She is a member of the AICPA, the MOCPA, and the GFOA. Amanda regularly attends continuing professional education courses related to her niche areas and participates in internal training offered through the firm.

Information about Amanda's relevant continuing professional education courses for the past three years follows.

- Annual GAAP Update (GFOA, 2018, 2016)
- FASB Accounting Update (Allinial Global, 2018)
- The 2018 Yellow Book: What You Need To Know (AICPA, 2018)
- Accounting for Nonprofit Grants and Contributions (AICPA, 2018)
- Revenue from Contracts with Customers (Allinial Global, 2018)
- AICPA Not-For-Profit Industry Conference (AICPA, 2018, 2017, 2016)
- Governmental Accounting Conference (MOCPA, 2018, 2017, 2016)
- GAQC Annual Update (AICPA, 2018, 2017)

- New NFP Financial Statement Standard: Practical Considerations (AICPA, 2018)
- New Revenue Recognition Standards for Not-For-Profits (AICPA, 2018)
- Revenue Recognition Steps 2 – 4 (WK, 2018)
- Revenue Recognition, Wrap-up and Implementation (WK, 2018)
- Revenue Recognition (20/20 Services, 2018)
- AICPA Government Industry Conference (AICPA, 2017)
- Revenue Recognition: Then, Now, Next (Becker Professional Education, 2017)
- Leases: New Standard (Becker Professional Education, 2017)
- Auditing and Accounting Update – Q1, Q2, Q3 (Becker Professional Education, 2017)
- Finishing Strong in the ASC 606 Marathon (Grant Thornton, 2017)
- First Quarter Accounting & Auditing Update (AICPA, 2017)
- New Lease Accounting Standard (CCH, 2016)



## Concurring Review Member Owner Michael J. Oldelehr, CPA

***Mike provides audit and consulting services for clients in the governmental, not-for-profit, insurance and construction industries. As concurring review member owner for the Board's engagement, Mike will provide technical and consulting assistance during the engagement and a final concurring review of the financial statements. Mike has served as the audit engagement member owner for previous Board engagements.***

Mike's specialty areas include government entities, not-for-profit entities, manufacturing and distribution companies, government employee benefit plans, insurance companies and construction companies. Mike also has experience in performing peer reviews. He is the leader of the firm's Insurance Team and is a member of the firm's Not-for-Profit Team and Construction Teams. Mike joined the firm in 1976.

Mike earned a bachelor of science degree in accounting from Lincoln University, graduating summa cum laude. Mike has provided service to many civic and charitable organizations. He currently serves on the Transportation Committee of the Jefferson City Area Chamber of Commerce, as a member of the Board of Directors of Saving Sight and is a member and past president of the Jefferson City Host Lions Club.

Mike is a member of the AICPA, the MOCPA, the Missouri Captive Insurance Association, the Insurance Accounting and Systems Association and the Associated General Contractors of Missouri, Inc.

Information about Mike's relevant continuing professional education courses for the past three years follows.

- Audit Brownbag (WK, 2018, 2017, 2016)
- Annual GAAP Update (GFOA, 2018, 2017, 2016)
- Blockchain: The New Technology (WK, 2018)
- Governmental Accounting Conference (MOCPA, 2018, 2017, 2016)
- Revenue Recognition Steps 2 – 4 (WK, 2018)
- Revenue Recognition, Wrap-up and Implementation (WK, 2017)
- Revenue Recognition (WK, 2017)
- Profiles of the Fraudster, Webcast Series (KPMG, 2016)
- Government Institute Webcast: Not-for-Profits (KPMG, 2016)



## Audit Manager Danielle N. Stafford, CPA

***Danielle will serve as the audit manager for the Board's engagement. She will assist the client contact and audit engagement member owner in overseeing the on-site performance of the audit and will perform some of the more difficult aspects of the engagement. Danielle has been selected because of her experience working with the firm's not-for-profit and governmental clients, including various roles for the previous Board engagements.***

Danielle's specialty areas include not-for-profit, government and construction. Danielle is a member of the firm's Not-for-Profit and Governmental service teams.

Danielle joined WK in 2012. She graduated summa cum laude from Culver-Stockton College with a bachelor of science degree in accounting and a bachelor of science degree in finance.

Danielle is a member of the AICPA, the MOCPA and the GFOA, through which she has completed extensive continuing education training.

Information about Danielle's relevant continuing professional education courses for the past three years follows.

- Applying the Uniform Guidance for Federal Grants (AICPA, 2018, 2016)
- Annual GAAP Update (GFOA, 2018, 2017, 2016)
- Single Audit Training (WK, 2018)
- Implementation of the New Governmental Accounting Standards (Allinial Global, 2018)
- Governmental Accounting and Auditing Update (AICPA, 2018, 2017)
- Single Audits: New Insights (AICPA, 2018)
- Governmental Accounting Conference - Ethics (MOCPA, 2018, 2017, 2016)
- Governmental Accounting Conference (MOCPA, 2018, 2017)
- Procurement Under the Uniform Guidance (WK, 2017)
- GASB 75 OPEB Implementation (AICPA, 2017)
- Ethics Fulfillment (MOCPA, 2016)
- Preparing for a Single Audit: An Auditee Perspective (AICPA, 2016)
- Sampling Strategies in Circular A-133 Audits (WK, 2016)



## Tax Engagement Member Owner Kathy A. Graessle, CPA

***Kathy will oversee the completion of the tax returns for the Board. Kathy has been chosen because of her experience with tax preparation for not-for-profit organizations as well as her extensive knowledge of the Form 990 requirements. Kathy has managed completion of the Board's Form 990 in previous years.***

Kathy provides tax services for not-for-profit organizations, individuals and business entities. In addition, she helps business owners anticipate and plan for the consequences of tax decisions. She is the leader of the firm's Closely Held Business service team and is also a member of the Not-For-Profit service team.

Kathy graduated from the University of Missouri with a bachelor of science degree in accounting and joined

WK in 1984. She was born and raised in central Missouri and gives back to her community through various service organizations. She is currently the treasurer of the Central Missouri United Way Foundation and previously served as president of the Cole County chapter of the American Cancer Society and a board member of the Capital City Jaycees.

Kathy is a member of the AICPA, the MOCPA and the Missouri Society of Association Executives.

Information about Kathy's relevant continuing professional education courses for the past three years follows.

- Furthering Exempt Purpose Through Partnerships (Strafford, 2018)
- After Tax Reform: Taxation of Non-Profits (MSCPA, 2018)
- Correcting Common Form 990 Errors (Strafford, 2018)
- Form 990: Learn From the Experts (AICPA, 2017)
- Mastering Form 990 Schedule A (Strafford, 2017)
- Form 990: Exploring the Form's Complexities (AICPA, 2017)
- Form 990 Exempt Organization Fundraising Donors (CCH, 2016)
- Emerging Tax Topics For Not-for-Profits (AICPA, 2016)
- Exempt Organizations: 2015 Recap (Alliant Group, 2016)

## Continuity Plan

Our plan is to have a transition of personnel assigned to future engagements that is conducive to an effective and efficient engagement and that is not burdensome to members of the Board's staff who are directly involved with the auditors on-site. We have historically had low turnover of our professional staff.

In the event of turnover that would affect our continuity plan, we would ensure those assigned have the combination of auditing, accounting, and experience appropriate to the needs of this engagement. In addition, the client contact and audit engagement member owner would assume additional responsibilities, as necessary, to compensate for any unexpected turnover that potentially disrupts our continuity plan.

While continuity and a smooth transition are generally considered to be an objective, we are always willing to discuss staffing changes requested by our clients.

## ■■■■■ PRICING

The variables in professional fees include the hourly rates and the number of hours required to complete the engagement. We are sensitive to cost control and have always worked diligently to minimize our fees while maintaining high quality standards. Fees for any service vary due to factors such as hourly billing rates, mix of staff, actual hours of performance and time constraints imposed. We believe the hourly rates for the engagement team assigned to the Board are very competitive with any firm of equal quality. The total number of hours to complete the job in a professional manner has been estimated by us based upon the requirements of this engagement, our assessment of your expectations of our services and our experience in conducting not-for-profit and Single Audits.

Based upon our understanding of the services to be provided, our proposed fees are as follows.

| <b>Year Ending June 30</b> | <b>Audit</b> | <b>Preparation of<br/>IRS Form 990</b> | <b>Total</b> |
|----------------------------|--------------|--|--------------|
| 2019                       | \$18,500     | \$1,800                                | \$20,300     |
| 2020                       | \$19,000     | \$1,850                                | \$20,850     |
| 2021                       | \$19,500     | \$1,900                                | \$21,400     |

Our fee estimates, which have been discounted from our standard hourly rates, are based on the following assumptions.

1. The Board's records will include all year-end adjustments and Board personnel will have prepared all requested schedules and documentation prior to the start of our final fieldwork.
2. We will begin final fieldwork on a mutually agreeable date and Board staff will assist in the timely preparation of schedules and requested information so that our final audit reports and the DCF can be completed by December of each year.
3. Unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with the Board's management to determine and agree upon a revised fee estimate.
4. Our fees assume no significant and unusual changes in the Board's size, federal programs, regulatory requirements or services to be performed. Any such changes will be discussed with you in advance so that a re-negotiated fee, if appropriate, can be mutually agreed upon.
5. These fees will be reviewed and discussed with you on an annual basis.

We would be pleased to provide additional professional services the Board might require from time to time, provided those services will not interfere with our role as independent auditors. We are available throughout the entire year for questions and consultations. Questions that can be handled with minimal time on our part generally would not be charged. Fees for services requiring more than a minimal amount of time to respond would be billed at our current standard hourly rates for the personnel used, or for a mutually agreeable negotiated fee. Our billing rates are typically adjusted once annually at the beginning of the calendar year.

Our invoices for these fees will be rendered as work progresses and are payable on presentation.

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## Appendix A

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