

# Proposal to Provide Professional Auditing Services to the Town of West Seneca, New York

*September 11, 2020*

**Submitted to:**

**Megan K. Wnek, CPA**  
**Director of Finance**  
Town of West Seneca  
1250 Union Road  
West Seneca, New York 14224

**Submitted by:**

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**THE BONADIO GROUP**  
CPAs, Consultants & More

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September 11, 2020

Megan K. Wnek, CPA  
Director of Finance  
Town of West Seneca  
1250 Union Road  
West Seneca, New York 14224

**RE: Professional Auditing Services**

Dear Ms. Wnek

It is The Bonadio Group's (Bonadio) pleasure to submit this proposal to provide professional audit services to the Town of West Seneca (the Town) for the fiscal years ending December 31, 2020, 2021, 2022.

**Why is Bonadio the right decision:**

**We know the complex landscape of New York State government:** We are, hands down, an expert in governmental entities in New York State. Our government experience is second to none. Bonadio is one of the leading audit and advisory firms to government organizations in Upstate New York, and we currently provide accounting and auditing services to over 300 government entities, including a variety of New York State agencies, public authorities, towns, counties, cities, school districts, and other local governments. With offices across New York State, we understand what towns all over the State are dealing with.

**We have a wealth of experience:** We work with towns throughout the State, delivering services ranging from financial statement audits to specialty financial consulting projects. Our government team does only that - governments. Our breadth of resources allows us to keep you abreast of all critical financial and regulatory matters impacting the Town. Annually, several of our partners attend not only the Association of Town's conference, but the annual and regional GFOA conferences too. We have also been presenters at the state and local levels.

**We're specialists:** The Town will be served, at all levels, by professional staff who understand the complex issues that you face. In addition, Bonadio has the bench strength to ensure that the Town's engagement is not reliant or dependent on any single individual. Our depth of resources includes 12 partners and 9 principals who have devoted their entire careers to working in the government sector. These individuals are supported by a related complement of managers and staff-level resources that have specific government experience.

**We will perform your audit in a timely and responsive fashion,** with fieldwork scheduled in accordance with your timelines; we will work with you to meet all requirements. Our overarching principles are centered around the concept of no surprises; all adjustments and findings, if any, will be discussed with you prior to being reported.

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*We want to work for you!*

The opportunity to serve as your auditors and advisors is important to us. We are committed to demonstrating that Bonadio is a cost effective, high quality audit firm that adds value to the audit process. We understand complex organizations and always approach our work from your perspective.

If you have any questions regarding the information contained in this proposal or on any other matter, please contact Randy Shepard at 585-249-2873 or email [rshepard@bonadio.com](mailto:rshepard@bonadio.com). We are available, at your convenience, to meet with you to discuss any questions you may have and to demonstrate our interest in serving the Town.

Very truly yours,

**THE BONADIO GROUP**

A handwritten signature in black ink, appearing to read "Randy Shepard", with a long horizontal flourish extending to the right.

Randall R. Shepard, CPA  
Partner

## Section 1 — Firm Qualifications and Experience

### Overview of The Bonadio Group A National Top 50 CPA Firm

#### 10 locations

- Albany
- Batavia
- Buffalo
- Dallas, TX
- East Aurora
- New York City
- Rochester
- Syracuse
- Utica
- Rutland, VT

Approximately 800 employees  
More than \$100 million/year in firm revenues  
140+ partners/principals  
110+ managers

#### Client Types & Services

##### Who We Serve:

- Governments
- Public Authorities
- Real Estate Developers
- Healthcare
- Individuals
- Unions
- Tax-Exempt
- Public Companies
- Small Businesses
- Mid-Sized Privately-Held
- Colleges and Universities

##### Services:

- Accounting & Auditing
- Business Advisory
- Healthcare Consulting
- IT Consulting
- Risk Management
- Tax Planning & Preparation

Bonadio was founded in 1978 and has grown to be the largest independent provider of accounting, business advisory and financial services in Upstate New York. Bonadio now currently employs approximately 800 personnel, including a dedicated **governmental client service group consisting of 12 partners, 9 principals, 7 managers, and numerous staff accountants**. Over the years we've merged in several firms which have helped us to grow our client base, but more importantly has expanded our expertise both technically and geographically.

**Bonadio is a diversified professional services firm offering multi-dimensional accounting and auditing, business advisory and financial services to clients around the world.**

- A Top 100 CPA Firm in the U.S. by *Public Accounting Report* and *Inside Public Accounting*
  - Ranked 46th in 2019 on Accounting Today's list of Top 100 Firms
- Identified by *Practical Accountant* as a CPA Innovative Firm
- Identified by *Accounting & Financial Women's Alliance (AFWA)* and *The American Women's Society of Certified Public Accountants (AWSCPA)* as a Best Accounting Firm for Women

#### Specific Expertise

Simply put The Bonadio Group's government experience and expertise is extensive and growing. In addition to being one of the largest independent CPA firms in the State, we maintain one of the largest government practices. With a roster of more than 300 government clients and the bench strength of 12 partners averaging over twenty years' experience, we are confident in our ability to serve your needs.

## Audit Quality Center Participation



We are a member of AICPA's Government Audit Quality Center. We are proud of the quality of our work. In order to ensure that this high level of quality is maintained, we have established a comprehensive quality assurance program. This program starts with hiring the best people available and continues with extensive training - 80 hours annually, per person, on average. We are also members of the AICPA Center for Public Company Audit Firms and Moore Global. We annually attend the AICPA National Government Conference and all managers, seniors and staff are required to attend annual in-house training on audits of government agencies.

Of most importance to us is our commitment to the AICPA Government Audit Quality Center. Involvement in this is optional, but indicates a level of commitment above all other non-member CPA firms. Our participation requires that our firm and personnel attain additional continuing professional education on an annual basis.

We have an established program which ensures that all audit engagement personnel possess current knowledge, appropriate to their level of involvement in the engagement, of applicable professional standards, rules, and regulations.

Our clients all benefit from Bonadio's commitment to quality. Quality is not an add-on process at Bonadio. Rather, it is engrained in our corporate culture and is integral to all aspects of our client service. The quality process begins with a well thought out approach to service delivery. From the selection of experienced personnel to serve you and development of a client specific comprehensive audit plan, you will gain from our commitment to quality in providing the requested services.

## Prior Engagements with Government Entities

When it comes to the business of government, Bonadio is all business. Whether it's performing an annual financial statement audit, analyzing cost containment and savings opportunities, or attacking Medicaid fraud and abuse, Bonadio is prepared to deliver outstanding results for reasonable fees.

On an annual basis, Bonadio conducts hundreds of different types of audits for a variety of governmental entities. We audit financial statements, perform compliance and operational audits, help our clients assess and remediate risk, & More. Our auditors are charged with understanding and applying the most recent *Government Accounting Standards Board (GASB)*, *Government Auditing Standards* ("Yellow Book"), and other auditing standards, and are known for their responsiveness, dedication to detail, insightful management reports, and ability to communicate findings in an understandable manner.

Beyond audits, Bonadio works with governmental entities to find ways to cut operational costs, streamline operations, eliminate waste, and identify fraud. Our CPAs and consultants bring real world, hands-on experience backed by academic and professional credentials in internal auditing, information systems auditing, forensic accounting, integrated resource management, and purchasing management, among other services.

## Office of State Comptroller (OSC)

The OSC, as you know, periodically identifies areas of focus for its audit teams statewide. The latest areas of focus include the following:

- a) Internal Controls – controls, oversight and operational practices.
- b) Fund balance – relationship between unrestricted/restricted and Town budget practices and decisions used in developing tax levy amounts, use of reserves and similar items.
- c) Governance – overall assessments of governance and controls within the Town as well involvement of Board in these decisions.

We have worked with clients to address these concerns or to participate in corrective action plans or meeting with the OSC.

## Value Added Services

Bonadio provides a comprehensive array of services to its clients. Our current offerings include audit and accounting, tax and consulting (including: both systems and operational review capabilities, health care consulting, business advisory services, personal and family finance). The breadth of services we are able to provide ensures that your needs are met both timely and effectively by your client service team.

In addition to core audit services, examples of special projects where we have assisted government clients include:

- PILOT studies (Industrial Development Agencies & for municipalities)
- Analysis of workforce needs
- Recommendations on rates to be charged for municipal services
- Developing cash receipts procedures and the related training of staff
- Cost containment
- Various internal control analyses, including financial and operational
- Procedures documentation
- Assist and advise on budgeting
- Project audits related to grant reimbursement submissions
- Forensic Accounting

This experience directly benefits you and the Town as we understand the multitude of issues you could face. We are also able to help deliver the financial messages to your Town Board and address the questions they have in a clear, understandable manner. We know that Board members have a wide range of backgrounds and we work to ensure they are comfortable with the material we present.

## The Audit of the future – Are you ready?

Audits are about to change significantly through the use of artificial intelligence, robotic process automation and Big Data to name a few. Within the next five years the AICPA intends to significantly change the auditing standards to incorporate these industry disrupting technologies.

About 2 years ago, the AICPA began discussions with the AICPA's Major Firms group to "develop a transformational auditing methodology supported by a state-of-the-art technology platform." To date, approximately 40 percent of the AICPA's Major Firms group has committed funds and resources to the initiative, called the Dynamic Audit Solution methodology or DAS. We are proud to report that The Bonadio Group is one of those firms that is taking the lead in this project that will transform our industry. The goal of the DAS is to develop a flexible and scalable, cloud-based platform that uses the power of automation, artificial intelligence, data analytics and updated methodologies to transform auditing. AICPA's technology group, CPA.com, is working with technology partner CaseWare the company that developed the recently introduced OnPoint Preparation, Compilation and Review (PCR) tool. While the technology behind the DAS initiative is complex, its purpose is clear: to deliver innovations to drive audit quality and add value to our clients.

Currently, many firms use different platforms, solutions and proprietary technology. This creates inefficiencies and gaps, resulting in over auditing and potential quality issues. Just as important, it does not substantially address our rapidly changing business environment. We will be ready when change comes-that's important for you to consider.

DAS will provide a coherent and customizable platform and methodology that not only recognizes the role technology plays in the audit process, it leverages the power of emerging technology to create an improved and efficient operating environment that keeps pace with dynamic change. Bonadio is committed to embracing leading edge technology: not for the sake of technology, but for how technology empowers our people, provides the tools we need to do our jobs and ultimately to better serve our clients.

As an early member of the DAS initiative, Bonadio has a place at the table and a voice in designing what could be one of the defining movements in our industry. Bonadio people are extremely talented. We have a passion for excellence and a willingness to try new things, but only if they will add value to what we do. By taking a proactive approach to inevitable change, we are positioned to meet the challenges of the future and reinforce our commitment to implementing strategies that increase opportunities for our people and create better experience for our clients.



# Section 2 — Partner, Supervisory and Staff Qualifications and Experience

## Government Expertise

Our firm continues to experience long-term growth and success because we've built a team of people that are experts in governmental auditing. With almost twenty (20) partners and principals specializing in this area, all of our expertise and knowledge is not concentrated with a few individuals. This is key to helping our clients grow and to helping develop our staff to better understand and excel in the government arena.

We believe that our people make the difference. The primary personnel assigned to serve you have a unique blend of governmental audit and consulting experience. The people identified will be the key contacts for you. Full biographies are included in the appendix.

Please be aware that we maintain continuing professional education as required by professional standards and meet the independence requirements of *Government Auditing Standards*, published by the U.S. General Accounting Office (GAO).



### Randy Shepard, CPA

**Role:** Engagement Partner

**Duties:** Randy is responsible for the overall engagement relationship. He is also the signing partner which means that he is ultimately responsible for the technical matters and all deliverables. In this way, Randy is the sole point of contact to ensure the consistent and timely delivery of every aspect of this account. All members of the team report to him.



### Heather Briggs, CPA

**Role:** Advisory Principal

**Duties:** It is Bonadio's philosophy to assign two partners/principals to our clients. While Randy will ultimately be responsible for signing reports and overall engagement management, Heather has much knowledge from his many years of serving the Town, and will be available to the engagement team for consultation.



### Erica Gardino

**Role:** Supervising Staff

**Duties:** Erica will function as the supervisory staff and will oversee the day-to-day activities of the staff assigned to the engagement. She will be a key contact and resource for the audit team, as well as to the day-to-day accounting personnel at the Town.

## Staff Continuity

As a professional service firm, we understand that a primary concern of most clients is continuity of people assigned. We are extremely sensitive to this issue and assure you that we will make every effort to maintain continuity of personnel on your engagement to ensure that you will be served by the individuals most familiar with your account. Our proposed team is committed to maintaining a long-term professional relationship that will benefit you in future years. We may assign additional supervisory resources to assist the audit team to ensure all deliverables are issued with our agreed to timelines. Bonadio's current staff turnover rate is approximately 12% per year, well below the accounting industry norms of up to 30%. We are strongly committed to driving our retention rate up as a means of ensuring staff continuity for our clients.



## Section 3 — Specific Audit Approach

Our audit approach is intended to accomplish the audit objectives in an efficient, cost-effective manner for both the Town and Bonadio. We understand that time is valuable to you – as it is for us.

As such we've developed a process that results in increased satisfaction and better recommendations for our clients.

### Our approach is simple:

Planning	Performance	Presentation
<ul style="list-style-type: none"><li>• Timely, relevant communication at the start of audit cycle</li><li>• Clear, concise requests for information for all phases of the audit</li><li>• Use of on-line portal for file sharing</li></ul>	<ul style="list-style-type: none"><li>• Completion of preliminary and final audit procedures based on pre-determined timelines</li><li>• Communication with key personnel throughout audit</li><li>• Assignment of qualified staff to your engagement</li><li>• Onsite involvement of principal and partner on engagement</li></ul>	<ul style="list-style-type: none"><li>• Deliverables provided on a timely basis and in an understandable format</li><li>• Keeping Town and Board Members apprised of key items impacting the Town (industry, GASB, etc.)</li><li>• Attendance by partner or principal level personnel at Board meetings</li></ul>

### Our typical audit timeline is as follows:

The following timeframe ensures year-round communication, significant Partner/Principal involvement, and sufficient hours to fulfill your needs and expectations. We have prepared our best estimate of the timing of the engagement; however, we will work with the Town to establish a timeframe that is appropriate. We are committed to meeting your deadlines.

#### As soon as practical after appointment

- Conduct meetings with the Town to discuss audit process, timing, and further clarify the Town's needs and expectations.
- Understand, assist, prioritize, and plan for current-year issues affecting the Town:
  - Impact of new and proposed accounting and auditing standards.
  - Impact of new and proposed governmental accounting and audit standards.
  - Regulatory developments.
  - Government developments.
- Prepare engagement letter.
- Develop a summary of audit requirements and client assistance list and provide to the Town finance personnel and various departments using our on-line file portal.
- Meet with the key personnel to review audit strategy and timing.

#### Interim Testing once timing is set (one week-December)

- Complete review of internal accounting controls and operating, financial, information systems and compliance processes. This will be accomplished through interviews and testing of procedures.
- Perform interim testing of significant accounts as necessary.
- Prepare preliminary detailed audit plan.
- Perform preliminary analytical procedures.
- Identify accounts for which confirmations will be required.
- Conduct progress meetings.
- Provide detailed list of schedules needed.

### Onsite fieldwork (one to two weeks April-May)

- Perform year-end audit fieldwork at the Town's offices and/or remotely.
- Perform final analytical procedures.
- Perform audit partner and quality assurance review.
- Conduct progress meetings.
- Assistance with NYS AUD for submission to OSC by April 30<sup>th</sup>.

### May - June

- Review draft of financial statements, management letter, financial highlights, and reporting package with Town Board.
- Final reports issued.
- Conduct closing meetings.
- The Town and Bonadio Meeting ("Exit conference"):
  - Meet to discuss service and review the measured value against needs and expectations in the client service plan.

### Level of Staff and Assigned Hours

Our audit work plans are not specifically assigned to staff levels, as we do not operate on such a rigid platform. We are structured to meet the requirements of the engagement, which allows for flexibility in the areas assigned. In general, the senior and staff accountants perform audit fieldwork. Technical matters are handled by the Partner/Principal. In general, our time is incurred 20% by Partner/Principal, with the remaining 80% by staff and other support time. Below please find our estimated hours by report provided.

Segment	Hours			
	Partner	Supervisor	Staff	Total
Audit	29	30	180	239
Justice Court	2	3	16	21
Clerk/Tax Collector	<u>2</u>	<u>3</u>	<u>16</u>	<u>21</u>
	<u>33</u>	<u>36</u>	<u>212</u>	<u>281</u>

In order to facilitate and to foster an effective and long-term relationship, we encourage continual contact with the Town. As needs and questions arise we are always available to assist the Town as part of our on-going relationship. The only time we would consider additional billings would be if the questions result in a project requiring more than a few hours to address. However, we will communicate with the Town prior to commencing any such project. Normal, day-to-day interaction and inquiries are not considered additional services.

### Approach to be taken to document and test internal controls

To document our client's internal controls, we employ:

- efficient, practical and proven interview techniques, including interviews with key personnel outside the finance area,
- review of existing policies and procedures documentation, and questionnaires, flowcharting and memoranda.

After we have documented our understanding of the Town's internal controls, we will assess which controls we will test for the purpose of reliance on the systems they support. This assessment will be based on how effective we deem certain processes to be as designed coupled with the efficiencies to be gained by reducing substantive testing in certain areas.

### Approach to be taken to determine laws and regulations subject to audit and test for each entity

To determine the laws and regulations subject to audit, we will obtain and review copies of all material contracts, grants and other agreements into which the Town has entered. In addition, we will discuss and confirm additional information with respect to laws and regulations, as deemed appropriate with the Town's internal and external legal counsel. Similarly, we will review various relevant laws and regulations to which the Town is subject by virtue of its relationship with New York State and the Federal government.

### **Sample sizes for tests of controls, compliance and substantive work to be performed at each entity**

In determining sample sizes for our testing of internal controls as well as compliance with provisions of laws, regulations, contracts and grants, our sample size will be dependent on the number and amount of transactions comprising the area to be tested. We will also consider the frequency of manual intervention in the account or area being tested in determining sample size. For substantive tests, which will focus primarily on balance sheet accounts, where we will consider materiality thresholds calculated at the opinion unit level, and the risk associated with a particular account or financial statement line item.

### **Analytical Procedures**

Bonadio employs several substantive audit procedures in connection with our audits. The use of analytical procedures is required during the planning and final review stages of an audit. Once we begin our audit work, certain results may indicate that analytical procedures may or may not be effective in a given area. However, we will use analytical procedures on the balance sheet, revenue/expense, and compliance areas (such as single audit expenditures). Analytical procedures can be a very effective audit procedure in an environment with strong internal controls.

## Section 4 — Similar Engagement with other Governments

Town of Grand Island	Town of Penfield
<p><b>Scope of Work:</b> External Audit, Justice Court,  <b>Engagement Lead:</b> Randall Shepard, Partner  <b>Total Hours:</b> 300  <b>Years Engaged:</b> Since 2000  <b>Contact:</b> Pamela Barton, Supervisory Accountant            (716) 773-9600 x601</p>	<p><b>Scope of Work:</b> External Audit, Justice Court, AUD            preparation  <b>Engagement Lead:</b> Randall Shepard, Partner  <b>Total Hours:</b> 200  <b>Years Engaged:</b> Since 2011  <b>Contact:</b> Barbara Chirido (585) 340-8621</p>
Town of Irondequoit	Town of Pittsford
<p><b>Scope of Work:</b> External Audit, Single Audit, NYS            DOT, Justice Court, Police Evidence Room  <b>Engagement Lead:</b> Randall Shepard, Partner  <b>Total Hours:</b> 250  <b>Years Engaged:</b> Since 2014  <b>Contact:</b> Diane Marsh (585) 336-6010</p>	<p><b>Scope of Work:</b> External Audit, Justice Court,            Deferred Comp. Audit, AUD preparation  <b>Engagement Lead:</b> Randall Shepard, Partner  <b>Total Hours:</b> 200  <b>Years Engaged:</b> Since 2014  <b>Contact:</b> Greg Duane (585) 248-6225</p>
Wayne County	
<p><b>Scope of Work:</b> External Audit, Single Audit, DOT            audit, Deferred Comp Audit  <b>Engagement Lead:</b> Randall Shepard, Partner  <b>Total Hours:</b> 800  <b>Years Engaged:</b> Since 2019 (first year audit)  <b>Contact:</b> Patrick Schmitt, Treasurer (315) 946-5947</p>	

Because proposals are subject to FOIL requests, we typically do not include our complete client listings so as to protect any competitive advantage we may have. We have in excess of 200 various types of government clients including, Local and State Public Authorities, Counties, Cities, Towns, Villages and School Districts. If the Town would like to discuss our complete client list or review that in detail, we would be happy to arrange a meeting to do so.

## Section 5 — Independence/License to Practice in New York State

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We assure you that our relationship with other governmental entities that are current Bonadio clients will not affect our ability to serve the Town with the type of dedication, commitment, and professionalism you would expect to receive. We will provide a secure, discreet, and confidential environment and would like Town to note the following:

- All Bonadio service team members will maintain the strictest confidentiality related to information obtained during the audit process.
- We currently work with other numerous governmental entities and have maintained our commitment to discretion and confidentiality.
- We have a wealth of experience in providing confidential and discreet services to multiple clients.

Bonadio is independent with respect to the Town in accordance with Rule 101 of the AICPA's "Code of Professional Conduct," and its interpretations and rulings. Bonadio is independent of the Town as defined by auditing standards generally accepted in the United States and the U.S. Government Accountability Office's (GAO) *Government Auditing Standards*. In addition, there are no conflicts of interest that exist with the Town.

In order to ensure that we are independent with all existing and new attest clients, we have an annual process of surveying all partners and employees and obtaining a response in writing as to any potential conflicts, which are then reviewed in detail and resolved. This process involves an individual, detail review of our full firm client list, and answering a questionnaire with specific independence-related issues. In addition, on an ongoing basis, we inform our people of proposal opportunities to identify any potential conflicts that may arise throughout the year.

Bonadio and all assigned partners and key personnel are properly credentialed to practice in New York State.

Bonadio meets all of the general standards concerning qualifications, independence, due professional care, and quality control standards as required under *Government Auditing Standards* (Yellow Book), including all amendments.

### **Conflicts of Interest**

Bonadio affirms that our engagement with the Town will not create any potential conflict of interest or appearance of impropriety relating to other clients/customers of Bonadio or former officers and employees of the Town.

### **License to Practice in New York State**

Bonadio & Co., LLP is registered to practice in New York State. Bonadio & Co., LLP currently employs over 300 certified public accountants who are properly licensed by the University of the State of New York and registered by the State Education Department. We will not use any subcontractors in performing this engagement.

Additionally, our staff has averaged 60 government CPE credit hours for the past three years, although the minimum requirement is only 24 hours every two years. Our commitment and dedication to continuing professional education is above and beyond the minimums.

## Section 6 — Identification of Anticipated Potential Audit Problems

Bonadio understands that early identification and prompt communication with our clients - combined with reasonable options, and solutions to an audit concern or issue - is a critical support requirement in every engagement we have with all our clients. Our consistent effort to maintain an open professional dialog with the Town through each step of the audit process is the first step in mitigating any possible concern.

Concern	Description	Approach	Requirements
<b>GASB</b>	Standard relating to Leases may have a significant impact in 2022. GASB 87 is effective beginning 1/1/22.	We will assess the Town's current state of implementation of this standard to determine what needs to be completed. We will then expect reporting to be in compliance.	The Town should demonstrate to us their application and conclusion relative to these standards.
<b>Revenue Recognition</b>	The Town receives a significant amount of funding from the government that requires vouching for authorized expenditures. Generally accepted accounting principles require the matching of revenue with the period in which the expense was incurred, depending on the nature of the funding stream.	We will review grant documents and vouchers submitted subsequent to year-end to identify whether expenditures relate to the period under audit and to test, as applicable, the Town's compliance with specific grant agreements. Additionally, we will confirm with selected funders to verify amounts received. This work will be tied into the Uniform Grant Guidance procedures as applicable.	The Town staff will be required to pull testing samples, answer questions, and otherwise be available to assist in the support of our audit procedures.
<b>Other Post-Employment Benefits</b>	GASB 75 represents a significant obligation for the Organization.	We will review the significant inputs to the valuation, as well as the resulting assumptions used. We will work with you to assess the cash flow and financial reporting impacts of these benefits.	The Organization will provide access to input data used for the valuation for testing purposes.
<b>Capital Acquisitions</b>	The Town conducts capital acquisition activity each year, financed through various mechanisms – bond issuances, capital leases, etc.	We will audit the material capital acquisitions and the related financing vehicles in accordance with generally accepted auditing standards	Town personnel will provide schedules and support for all capital transactions.
<b>Inter-fund Accounting</b>	The Town may enter into business transactions with other funds for services provided or materials purchased. These transactions must be accounted for properly and all inter-fund transactions must eliminate or otherwise be accounted for in the financial statements.	We will verify and/or confirm significant related party transactions and balances. Additionally, we will perform analytical procedures and tests of balances to identify whether all necessary inter-fund transactions have been recorded.	N/A





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*A Professional Accounting Corporation*

## Report on the Firm's System of Quality Control

To the Partners of  
 Bonadio & Co., LLP  
 and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Bonadio & Co., LLP (the firm) applicable to engagements not subject to PCAOB inspection in effect for the year ended April 30, 2017. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

### Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under Single Audit Act; audits of employee benefit plans, audit performed under FDICIA, and examinations of service organizations [SOC 1 and SOC 2 engagements].

As part of our peer review, we considered reviews by regulatory entities as communicated to the firm, if applicable, in determining the nature and extent of our procedures.

### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Bonadio & Co., LLP applicable to engagements not subject to PCAOB inspection in effect for the year ended April 30, 2017, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Bonadio & Co., LLP has received a peer review rating of *pass*.

*Postlethwaite & Netterville*

Baton Rouge, Louisiana  
 October 30, 2017



**Randy Shepard, CPA—Engagement Partner** (rshepard@bonadio.com)

Randy is a partner in The Bonadio's Government Division and heads our Buffalo and Rochester government practice area. He has been with Bonadio for over 20 years with experience in many areas of attestation engagements. Randy provides consulting, accounting, and auditing services for a variety of clients such as municipalities, public authorities, and local development corporations. As a result of this work, Randy has developed extensive experience with respect to compliance and reporting requirements for these organizations, knowledge of Governmental Accounting Standards Board (GASB) pronouncements, the NYS Public Authorities Reform Act, as well as the evaluation and design of internal accounting systems. Randy has also been a speaker on various governmental topics for the NYS Association of Counties as well as Governmental Finance Officers Association, including many recent GASB standards

Randy received his B.S. degree in Accounting from the State University of New York at Geneseo. He is a member of the American Institute of Certified Public Accountants and Government Finance Officers Association (National and Local level). Randy is the former Treasurer and also the former Chair of both the Audit and Finance Committees of the Seneca Park Zoo Society. Randy is a 2008 recipient of the Rochester Business Journal's Forty Under 40 award for leadership and service in their jobs and in the community.

**Heather Briggs, CPA—Advisory Principal** (hbriggs@bonado.com)

Heather Briggs is a Principal in Bonadio's Government Division. Over a decade's worth of accounting experience has given her extensive knowledge in the audits of government agencies in accordance with Uniform Grant Guidance including counties, cities, universities and School Districts, to name a few. Heather spent time as a school district treasurer in the Capital District before returning to Public Accounting. Heather Audits approximately 10-15 school districts annually across the state.

Heather is a member of the American Institute of Certified Public Accountants. She received her B.S. degree in Accounting from SUNY New Paltz in 1997 and a Masters in Accountancy from Phoenix University in 2010.

**Erica Gardino—Audit Senior** (egardino@bonadio.com)

Erica is a senior in Bonadio's Government Division. With over 5 years of professional experience, Erica provides audit, accounting, and consulting services to a number of entities including Authorities, Counties, Justice Courts, Town/Villages, Soil and Water Conservation Districts, School Districts and Employee Benefit Plans.

Erica received her Bachelors in Accounting from the College at Brockport.

## Client List

We believe the value to our clients is based on two things: 1) relevant expertise and 2) sound, practical advice. You will not find a comparable dedication of resources and practice size in any other firm in Upstate New York. This allows your client service team to have the depth of knowledge and experience to meet your critical needs. Below is a sample list of Government clients:

County of Chautauqua	Town of Perry
County of Erie	Town of Schodack
Town of Grand Island	Town of Windham
Amherst IDA	City of Cortland
Silver Creek CSD	City of Troy
Randolph Academy UFSD	City of Syracuse
Cheektowaga-Sloan UFSD	City of Port Jervis
Town of Murray	County of Columbia
Town of Albion	County of Essex
Town of Canandaigua	County of Livingston
Town of Clarkstown	County of Monroe
Town of Fishkill	County of Niagara
Town of Glenville	County of Onondaga
Town of Greece	County of Ontario (Health facility and project work)
Town of Hyde Park	County of Schoharie
Town of Irondequoit	County of Seneca
Town of North Castle	County of Steuben
Town of Penfield	County of Sullivan
Town of Pittsford	Western Regional Off-Track Betting Corporation
	50+ Other School Districts