

**MAYOR AND TOWN COUNCIL
TOWN OF FOREST HEIGHTS**

RESOLUTION 62-20

A RESOLUTION TO SELECT A PROPOSAL AND AWARD A CONTRACT FOR AUDITING SERVICES FOR THE TOWN OF FOREST HEIGHTS FOR FISCAL YEARS 2020-2022 TO FRANCIS J. DISALVO, CPA TO PERFORM THE YEAR ENDING JUNE 30, 2020 AUDIT AND THE SUBSEQUENT AUDITS FOR AN ADDITIONAL TWO (2) FISCAL YEARS THEREAFTER

Introduced by: Mayor Habeeb-Ullah Muhammad

WHEREAS, the Town Charter, §33-57 (Audits) requires that the financial books and accounts of the Town shall be audited annually by a certified public accountant selected by the Mayor and Council; and

WHEREAS, the Town Charter, §33-63 (Purchases and contracts) states that all contracts involving professional services such as accounting, architecture, auditing, engineering, law, planning, and surveying, shall not be on a bid basis, but shall be negotiated by the Council; and

WHEREAS, the Town issued a request for proposals (RFP's) for professional audit services on August 20, 2020; and received three proposals by the due date of September 9, 2020; and

WHEREAS, the Mayor appointed a Audit Firm Selection Recommendation Committee which convened on October 10, 2020 by Zoom conference to analyze, discuss and consider for recommendation the three proposals of (i) Francis J. DiSalvo, CPA, (ii) UHY, LLP and (iii) Jaramillo Accounting Group; and

WHEREAS, said Committee made certain findings regarding each proposal and concluded with several recommendations conveyed by letter dated October 29, 2020 to the Mayor including a recommendation that the Mayor and Council enter into a services agreement with the firm of Francis J. DiSalvo, who has served as the Town Auditor since FY 2005; and

WHEREAS, the Mayor and Council finds that it needs a firm with a strong background and local experience in financial and compliance audits, which Francis J. Disalvo, CPA has performed for several municipalities in the past including the Town; and

WHEREAS, the Mayor and Council further finds the Town of Forest Heights Budget for FY 2020, appropriates funds for the Annual Town Audit in line item 7023.

NOW THEREFORE, BE IT RESOLVED that the Mayor and Town Council of the Town of Forest Heights, Maryland hereby selects and approves the proposal and further agrees to accept Francis J. DiSalvo, CPA's engagement letter or agreement to perform the financial and compliance audit and provide related audit services for the years ending June 30, 2020, June 30, 2021, and June 30, 2022 at the initial cost of \$14,000.00 with fee increases to \$14,853.00 in FY 2022, provided an appropriation for services is approved and funds are made available in the future FY budgets.

The Town of Forest Heights

**MAYOR AND TOWN COUNCIL
TOWN OF FOREST HEIGHTS**

RESOLUTION 62-20

BE IT FURTHER RESOLVED, that this Resolution shall take effect immediately upon passage.
PASSED this ___ day of November 2020.

APPROVED: By Resolution of the Town Council of The Town of Forest Heights, Maryland

ROLL CALL VOTE YEA/NAY/ABSTAIN/ABSENT

MUHAMMAD	_____
KENNEDY II	_____
NOBLE	_____
BARNES	_____
HINES	_____
WASHINGTON	_____
ATKINSON	_____

ATTEST:

THE TOWN OF FOREST HEIGHTS,
MARYLAND

Sherletta Hawkins, Town Clerk

By: _____
Mayor Habeeb-Ullah Muhammad, Mayor

By: _____
Calvin Washington, Council President

CERTIFICATION

I, hereby certify, as the duly appointed Town Clerk of the Town of Forest Heights, Maryland, that on the ___ day of November 2020 with _____ Aye votes and ___ Nay votes the aforesaid Resolution ___-20 passed.

Sherletta Hawkins, Town Clerk

Exhibits -- (i) RFP for Audit Services, (ii) Three (3) CPA Proposals and (iii) DiSalvo CPA Engagement Letter

The Town of Forest Heights



Town of Forest Heights

5508 ARAPAHOE DRIVE
FOREST HEIGHTS, MARYLAND 20745-1998
(301) 839-1030
Fax (301) 839-9236

Habeeb-Ullah Muhammad
Mayor

COUNCIL MEMBERS

Calvin Washington – Ward I
Robert O. Barnes – Ward I
Jonathon Kennedy II – Ward II
Clifton Atkinson – Ward II
Taunya Hines – Ward III
Paula Noble – Ward III

Habeeb-Ullah Muhammad, Mayor
Town of Forest Heights, Maryland
5508 Arapahoe Drive
Forest Heights, Maryland 20772

October 28, 2020

Dear Mayor Muhammad,

Thank you for convening an Audit Firm Selection Recommendation Committee to provide you advice concerning which proposal was most responsive to the Town's Request for Proposals (RFP) for professional auditing services! It was a pleasure to serve as a four-member body to examine each of the responses.

As you are aware, the RFP was advertised by the Town for the time-period August 20 through September 9, 2020. Because of the Town COVID-19 protocol, all bid proposals were submitted electronically to the Town Administrator during the above response window.

As advertised, the primary intent of the request for proposals was to seek responses from qualified certified public accounting firms to conduct an audit of the Town's financial records and prepare the financial statement for the Town for the fiscal year ending June 30, 2020. Included is the option to extend for two (2) additional fiscal years upon mutual agreement of both parties. The advertisement was posted on the Maryland.Gov & Maryland Municipal League websites.

There was a total of three responses to the RFP which include: Jaramillo Accounting Group, UHY, LLP Certified Public Accountants and Francis J. DiSalvo Certified Public Accountant.

Committee Review Process

On October 10, 2020, the Committee met by ZOOM conference to discuss and consider each of the three proposals. A copy of the Action Minutes of the meeting is attached.

The following mandatory elements and areas of expertise and experience for each firm was examined and considered by the Committee:

Mandatory Elements

1. The firm is independent and licensed to practice in the State of Maryland.
2. The firm submits a copy of its most recent external quality control (peer) review report and has a record of quality audit work.
3. The firm's policy concerning continuing professional education.
4. Affirmative statement the audit firm has at least five years of experience performing government audits.
5. The firm adheres to the instruction in this request for proposals on preparing and submitting the proposal.

Expertise and Experience of the Audit Firm

1. Provide a description and history of the audit firm. Please include the size of the firm and size of the governmental staff.
2. Provide a list of governmental clients for which an audit was performed by your firm in the last three years, designating those which are currently clients. Please include a contact and reference and phone number for each of the audits listed.
3. Please include resumes of partner, manager and senior staff who will be assigned to this audit.
4. Discuss the firm's process of ensuring that all individuals who will be performing audit work have received adequate continuing professional education within the two preceding years.

5. Please include results of the firm's recent peer review and its status under the American Institute of Certified Public Accountants (AICPA) peer review program.
6. Describe regulatory action taken against the firm by an oversight body, if any, and any disciplinary actions that have been brought against the firm.
7. Provide a brief discussion about the firm's expertise and experience, including Single Audits and test of compliance with laws and regulations.
8. Give a brief description of the firm's ability to perform additional services and provide technical support throughout the period of engagement.

Each of the three firms were also asked to provide the following technical approach describing how they would engage the Town and its fiscal history documentation during the audit period.

Technical Approach

1. Clearly describe the scope of the required services to be provided including a full discussion of your firm's auditing techniques and procedures to be used for both financial and compliance aspects of the engagement.
2. Describe the firm's approach to becoming familiar with the new client's operation.
3. Discuss the firm's approach and level of client staff support necessary to complete the work as outlined in the proposal.
4. Provide a schedule showing the firm's approach to planning the audit and timing of fieldwork and sampling techniques to be performed.
5. Address how key personnel (partner, manager) will be adequately involved and accessible through the performance of the audit.
6. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.
7. Ability to meet the required audit production schedule.

Committee Findings

The following findings are respectfully submitted for your consideration:

Firm Size:

-UHY, LLP is a large national accounting firm with 21 offices nationwide in 8 cities and are full-time government auditors.

-Jaramillo Accounting Group is a mid-size firm that specializes in municipal government audits. (approx. 14 employees)

-DISalvo Certified Public Accountants is a small-size firm (approx. 6 employees)

FINDING: The Committee is most comfortable with a smaller, more personal touch accounting firm to perform the Town Audits.

Firm Geographic Location:

-UHY, LLC has local offices in Columbia, Maryland

-Jaramillo Accounting Group has offices in Albuquerque, New Mexico

-DISalvo Certified Public Accountant has local offices in Suitland, Maryland

FINDING: The Committee is most comfortable in a relationship with a local Maryland firm, as they would be more responsive to and understanding of the local environment. Also, if needed, site visits to the Town during the audit would be more practical.

Firm Qualifications:

All things considered, each of the three firms possess the necessary professional and industry licenses & certification.(e.g. licensed to conduct business in Maryland, principals assigned to our audit would hold Certified Public Accountant (CPA) credentials, staff are members of American Institute of Certified Public Accountants(AICPA), no reported disciplinary action recorded against the firm, audit staff commitment to significant continued education courses, a "Pass" peer review rating which is the highest standard rating possible, significant tenured staff in terms of number of years experienced in the profession.)

FINDING: The Committee is most comfortable with a firm that possesses the abovementioned assets in addition to existing experience with and understanding of Town of Forest Heights audits.

Approach to Conducting the Audit:

Essentially, the phases proposed by each firm for conducting the audit would consist of the following: 1. Planning, including an audit commencement meeting 2. Assessment of Internal Controls 3. Review, assessment and development of existing Town financial statements 4. Exit conference with Town officials 5. Preparation and presentation of financial statements.

(*Note: Jaramillo Accounting Group and UHY, LLP audits would include a review of the past auditor "working papers" to ensure stable footing for the next audit)

FINDING: The Committee is most comfortable with the personal touch, plain English, family-style experience to conducting the Town audit.

Pricing:

Jaramillo Accounting Group (\$14,000.00 initial fee with increase to \$15,000.00 in FY 2021 & 2022)

DiSalvo Certified Public Accountant (\$14,000.00 initial fee with increases to \$14,853.00 in FY 2022)

UHY, LLP (\$20,000 initial fee with increase to \$20,600 in FY 2022)

FINDING: Jaramillo Accounting Group and DiSalvo Certified Public Accountant costs on par with each other; UHY, LLP has higher priced proposal. The Committee is most comfortable with the lesser priced proposals that fit well within the Town Budget earmarked for auditing services.

Additional Services Offered by the Firm during Audit period.

FINDING: All firms have ability to provide additional professional services if needed during the audit period. Such services offered are: in-depth response to Budget & Accounting related questions, elaborate "graphics" depiction of budgetary trends for comparison purposes, topic-specific training for staff and Town Council, providing financial information to assist clients with budget-related questions, to name a few. Although specific in terms of the services offered, all the proposals are not clear as to the depth of services or whether any additional prices are associated.

Adherence to Audit Completion Timeframe:

FINDING: All firms would be able to meet the Town audit completion deadline of December 31, 2020, barring no unforeseen delays.

Adherence to COVID-19 Protocol during Audit period

FINDING: All firms have put COVID-19 protocols in place for conducting current day audits such as limited and/or remote meetings at all phases of the audit process. All firms are confident they can provide services in this manner and adhere to audit completion deadline.

(*Note: UHY, LLP provided an extensive overview in their proposal concerning response to COVID-19 related to the audit process.)

Specialized Points of Interests

-Jaramillo Accounting Group is a Woman-Owned Business Enterprise and specializes in municipal government auditing. Also has extensive experience conducting audits for government agencies but, not in DMV area.

-UHY, LLP has extensive experience conducting audits for government agencies including the DMV area such as, District of Columbia, Montgomery County and Alexandria, Virginia. In addition, they utilize state-of-the-art computer technology that allows tailored, specific concentration and download of journal entries during the audit review process. This may provide the ability to better unearth inaccurate entries posted to an audited account.

-DiSalvo Certified Public Accountant has been Town of Forest Heights auditing firm since Fiscal Year 2005.

Overall Recommendation

Aside from the size and proposal price differentiation of the auditing firms that responded to the Request for Proposals, all things being equal, the Committee recommends awarding the contract for Professional Auditing Services to the **DiSalvo Certified Public Accountant firm**. The reasons supporting this decision are listed below:

1. Familiarity with Town of Forest Heights finances and operations due to the long-standing auditing relationship since FY 2005.
2. Competitive Pricing
3. Small, personal touch, plain communication relationship the Town has with the DiSalvo Certified Public Accountant firm.
4. Historically satisfying and comfortable working relationship staff have with the firm.
5. Good Track Record with Town of Forest Heights. Quality audit reports have been delivered by the firm to the Town for quite some time with no known significant problems or lack of satisfaction.

Additional Recommendation:

The Committee recommends that a contract with the DiSalvo Certified Public Accountant Firm include a clause that provides for *weekly* audit update meetings (including meeting minutes) with the Town staff during the audit period. This would help ensure that all parties are well-aware of the status and progress of the audit on an on-going basis during this period.

Please contact us if we can answer any questions you may have.

Sincerely,

Audit Firm Selection Recommendation Committee

Town Council President Calvin Washington

Town Councilmember Taunya Hines

Ms. Darlene Kuny

Mr. Linwood Robinson, Jr.

Action Meeting Minutes

Mayor's Audit Firm Selection Recommendation Committee

October 19, 2020

(Held Virtually with ZOOM)

Town Administrator Linwood Robinson called the meeting to order at 2:08 pm. He briefly explained that as the four members of this committee, we were meeting today to discuss and recommend a firm/candidate to the Mayor and Town Council to conduct an audit of Town financial records and prepare the financial statement for the fiscal year ending June 30, 2020, with the option to extend services for two additional fiscal years, as advertised in a recent Request for Proposals.

Town Administrator mentioned he had reviewed all three proposals in response to the RFP and requested permission to review the salient points of each of them as a way to begin the discussion. The committee members agreed.

Town Administrator briefly read specific and distinguishing aspects of all three proposals. He paused after each proposal to request comments from each committee member. He then mentioned that he had assigned rating numbers to each proposal, along with an overall rationale as his methodology of review.

The floor was then opened to all committee members who were asked to comment on and assess each of the proposals in their own words.

After lengthy discussion and clarification concerning the content of the proposals, members shared their final opinions on all proposals.

The accounting firm of DiSalvo Certified Public Accountant emerged by unanimous decision as the most responsive proposal for the following reasons:

1. Familiarity with Town of Forest Heights finances and operations due to the long-standing auditing relationship since FY 2005.
2. Competitive Pricing
3. Small, personal touch, plain communication relationship the Town has with the DiSalvo Certified Public Accountant firm.
4. Historically satisfying and comfortable working relationship staff have with the firm.
5. Good Track Record with Town of Forest Heights! Quality audit reports have been delivered by the firm to the Town for quite some time with no known significant problems or lack of satisfaction.

The meeting was adjourned at 3:15 pm.

(Committee Members Present: Town Council President Calvin Washington, Town Councilmember Taunya Hines, Ms. Darlene Kuny, Linwood Robinson, Jr.)

**Town of Forest Heights
5508 Arapahoe Drive
Forest Heights, MD 20745**

REQUEST FOR PROPOSAL (RFP)

PROFESSIONAL AUDITING SERVICES

Date Issued: August 20, 2020

Date Due: September 9, 2020

I. PURPOSE & OVERVIEW

The Town of Forest Heights, Maryland (the Town), is requesting proposals from qualified firms of certified public accountants to conduct an audit of the Town's financial records and prepare the financial statement for the Town for the fiscal year ending June 30, 2020, with the option to extend for two (2) additional fiscal years upon mutual agreement of both parties.

Proposals may be submitted electronically to lrobinson@forestheightsmd.gov, and received no later than 4:00 p.m. (local time) on Wednesday, September 9, 2020 or hand delivered only on Wednesday, September 9, 2020 to the attention of Linwood Robinson, Town Administrator, Town of Forest Heights, 5508 Arapahoe Drive, Forest Heights, MD 20745 no later than 4:00 p.m. (local time). Any proposals received after the above-noted time will not be accepted under any circumstances.

Firms or companies interested in providing Professional Auditing Services for the Town shall submit an original proposal to the Town of Forest Heights by the submission deadline to the attention of:

Linwood Robinson
Town Administrator
Town of Forest Heights
5508 Arapahoe Drive
Forest Heights, MD 20745
RFP AUDIT2020

No faxed submissions will be accepted.

There is no expressed or implied obligation for the Town to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

II. GENERAL INFORMATION

The Town of Forest Heights is a municipality of the State of Maryland established in 1949, serves an area approximately 1.63 square miles with a population of approximately 2,447 residents. The Town's fiscal year begins on July 1 and ends on June 30.

The Town provides the following services to its citizens:

- Police Service
- Public Works Department
- Trash Removal - Household, Yard Waste and Bulk (Contractor)
- Metal Pick-up (Public Works Department)
- Recycle Collection (Prince George's County)
- Code Enforcement
- General Administration and coordination of the above services

The Town had an operating budget of \$7,419,574.00 for FY 2019 - 2020.

The Town is organized into three functional departments:

- Administration
- Public Safety
- Public Works

The accounting and financial reporting functions of the Town are housed and administered in the Town Hall located at 5508 Arapahoe Drive, Forest Heights, MD 20745.

The Town prepares its budget on a basis consistent with generally accepted accounting principles.

The financial affairs of the Town are managed by the Town Treasurer and the Town Administrator and approved by the Mayor and Town Council.

The Town Treasurer will provide the following schedules:

- Trial Balance
- General Ledger
- List of all bank accounts
- Copies of all Bank Reconciliations
- Schedule of receivables
- Schedule of prepaid expenditures
- List of deferred revenues
- Payroll reconciliation
- Listing and detail of all legal fees paid

- Schedule of accrued vacation and sick leave per employee
- List of accounts payable
- Other schedules upon request

The General Fund is the only operating fund of the Town. This fund is used to account for all financial resources. All general tax revenues and other receipts that are not restricted by law or contractual agreement are accounted for in this fund. General operating expenditures, fixed charges, and capital improvement costs are paid from the General Fund.

A copy of the most recent financial statements and budget can be found on the Town's website: www.forestheightsmd.gov.

III. SCOPE OF SERVICES

The selected auditor will prepare and express an opinion on the fair representation of the Town's basic financial statements, as well as the combining and individual fund financial statements and schedules in conformity with generally accepted accounting principles.

IV. SPECIFIC REQUIREMENTS

1. The auditor shall audit and express an opinion on the fair presentation of the basic financial statements of the Town in conformity with general accepted accounting principles (GAAP).
2. The auditor shall be responsible for applying certain limited procedures to required management's discussion and analysis and other required supplementary information in accordance with generally accepted auditing standards.
3. All working papers and reports must be retained at the auditor's expense for a minimum of five (5) years, unless the firm is notified in writing by the Town of the need to extend the retention period. The auditor will be required to make working papers available upon request.

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

4. The auditor shall provide an opinion on other supplementary information for combining and individual non-major governmental funds or other supplementary information in relation to the basic financial statements to be taken as a whole.

5. The audit firm may not subcontract work under this agreement without express, written permission of the Town. Any subcontractors selected and approved must comply with the same terms and conditions of this agreement.
6. The auditor will complete and sign-off on the Fiscal Year 2020 Financial Statements and the Maryland Uniform Financial Report by December 31, 2020. One unbound printer proof and 10 bound copies of all reports must be rendered to the Town within the scheduled time frame. The auditor will render a management letter to the Town Council which will include any recommendations for improving accounting operations of the Town. This report will also include an opinion on the system of internal control.
7. Proposals are to reflect the Auditing Firm preparing the Uniform Financial Report (UFR).
8. Presentation of Audited Financial Statements to the Mayor and Council.

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue:

1. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles;
2. A report on internal control over financial reporting and compliance based on an audit of the financial statements;
3. Any other report which may be required during the contract period based on new accounting pronouncements or procedures.

In the required reports on internal controls, the auditor shall communicate any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions that are also material weaknesses shall be identified as such in the report.

Non-reportable conditions discovered by the auditors shall be reported in a separate letter to management, which shall be referred to in the reports on internal controls.

V. PROPOSAL SUBMITTAL REQUIREMENTS

Each prospective audit firm's proposal should consist of two sections, a "Technical Section" and a "Dollar Cost Bid" section, both of which are to be prepared in accordance with the following guidelines. The proposal must be submitted to the Town by 4 P.M. on September 9, 2020. Failure to comply with these requirements will result in a disqualification of the proposal.

TECHNICAL SECTION

The firm is to provide a separate transmittal letter stating the proposer's understanding of the work to be performed, the commitment to perform the work within the time period, a statement why the firm believes itself to be the best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer of the engagement period.

The Transmittal Letter shall have an original signature of an authorized official of the firm who has been designated to submit the proposal on behalf of the firm.

In order to evaluate the firm, proposals must include the following elements:

Mandatory Elements:

Firms meeting the following mandatory criteria will have their proposal evaluated and cored for technical qualifications.

1. The firm is independent and licensed to practice in the State of Maryland.
2. The firm submits a copy of its most recent external quality control (peer) review report and the firm has a record of quality audit work.
3. The firm's policy concerning continuing professional education.
4. Affirmative statement the audit firm has at least five years of experience performing governmental audits.
5. The firm adheres to the instruction in this request for proposals on preparing and submitting the proposal.

Expertise and Experience of the Audit Firm:

1. Provide a description and history of the audit firm. Please include the size of the firm and size of the governmental staff.
2. Provide a list of governmental clients for which an audit was performed by your firm in the last three years, designating those which are currently clients. Please include a contact and reference and phone number for each of the audits listed.
3. Please include resumes of partner, manager and senior staff who will be assigned to this audit.
4. Discuss the firm's process of ensuring that all individuals who will be performing audit work have received adequate continuing professional education within the two preceding years.
5. Please include results of the firm's recent peer review and its status under the AICPA peer review program.
6. Describe regulatory action taken against the firm by an oversight body, if any, and any disciplinary actions that have been brought against the firm.

7. Provide a brief discussion about the firm's expertise and experience, including Single Audits and test of compliance with laws and regulations.
8. Give a description of the firm's ability to perform additional services and provide technical support throughout the period of engagement.

Technical Approach:

1. Clearly describe the scope of the required services to be provided including a full discussion of your firm's auditing techniques and procedures to be used for both financial and compliance aspects of the engagement.
2. Describe the firm's approach to becoming familiar with the new client's operation.
3. Discuss the firm's approach and level of client staff support necessary to complete the work as outlined in the proposal.
4. Provide a schedule showing the firm's approach to planning the audit and timing of fieldwork and sampling techniques to be performed.
5. Address how key personnel (partner, manager) will be adequately involved and accessible through the performance of the audit.
6. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

Contact Information:

The proposal must clearly identify the firm's contact person concerning the proposal, the firm's main and/or local addresses, telephone number, and email address where the contact person can be reached.

Schedule for Provision of Work:

The proposal must indicate the firm's anticipated availability for the project and an estimated performance schedule, if selected. A detailed schedule presentation is an important consideration for the proposal review.

PROOF OF PROFESSIONAL LIABILITY INSURANCE

The successful respondent shall provide at its own cost and expense during the life of the contract, the following insurance coverages to the Town of Forest Heights (30) thirty business days' prior to the commencement of any work. All service providers including any independent contractors and subcontractors utilized must comply with these requirements. All insurance policies shall be issued by companies authorized to do business under the laws of the State of Maryland. The insurance shall be evidenced by certificates and/or policies including premiums as determined by the Town of Forest Heights. It shall be an affirmative

obligation upon the Service Provider to advise the Town Administrator, Linwood Robinson, Town of Forest Heights, 5508 Arapahoe Drive, Forest Heights, MD 20745 within 24 hours or the next business day of cancellation, non-renewal or modification of any stipulated insurance and failure to do so shall be construed to be a breach of this Agreement/contract. The Town of Forest Heights reserves the right to require additional coverages and limits based upon the particular service or change in service provided by the Service Provider.

If the service provider maintains higher limits than the minimums shown below, the Town requires and shall be entitled to coverage for the higher limits maintained by the service provider.

Comprehensive General Liability Insurance coverage with limits of liability not less than \$1,000,000 Each Occurrence/\$2,000,000 Aggregate. The Certificate of Insurance shall indicate an Occurrence Basis. The Town of Forest Heights shall be endorsed as an additional insured under the General Liability coverage. The Service Provider's General Liability coverage shall be primary and non-contributory.

For policies written on a Claims-made basis, service provider shall maintain a retroactive date prior to or equal to the effective date of the contract. In the event the policy is canceled, nonrenewed, switched to an occurrence form or there is a change in retroactive date, or any other event triggering the right to purchase a Supplemental Extended Reporting Period (SERP) during the life of this contract, the service provider shall agree to purchase a SERP with a minimum reporting period of not less than three (3) years. Coverage is to apply on a primary basis.

DOLLAR COST BID SECTION

Total All-Inclusive Maximum Price - The proposal should include all pricing information relative to performing the audit engagement for each of the three years under audit; to include direct and indirect costs and all anticipated out-of-pocket expenses.

Rates by Partner, Specialist, Supervisory and Staff Level Hours Anticipated for each. The cost proposal should include a schedule of professional fees and expenses that support the total all-inclusive maximum price. The cost of special services should be disclosed as a separate component of the total all-inclusive maximum price.

Rates for Additional Professional Services - If it should become necessary for the Town to request the auditor to render additional services to either supplement the services requested in this request for proposals or to perform additional work as a result of the specific recommendations included in any report issued on this engagement then such additional work shall be performed only if set forth in an addendum to the contract between the Town of Forest Heights and the firm. Any such additional work agreed to between the Town and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the proposal.

Manner of Payment – Progress payment will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's dollar cost proposal. Interim billings shall cover a period of not less than a calendar month. Payment of the final billing will be made after delivery of the final report.

VI. SELECTION CRITERIA

A Town selection committee will evaluate each respondent's qualifications and will short-list and recommend to the Mayor and Town Council no fewer than three (3) firms to provide the requested services. The Town Council's selection decision shall be final.

Contract Award

Proposals submitted will be evaluated by a four-member evaluation committee. Firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

All proposals will be subject to a review and evaluation process. It is the intent of the Town that all proposers responding to this RFP, who meet the requirements, will be ranked in accordance with the criteria established in these documents. The Town will consider all responsive and responsible proposals received in its evaluation and award process.

Further, each proposal will be evaluated for full compliance with the RFP instructions to the proposers and the terms and conditions set forth within the RFP document. The Town is not obligated to make an award to the Proposer with the lowest bid or price submitted. Proposals will be evaluated and an award made to that Proposer who is determined to be responsible and responsive to this Request for Proposal and whose proposal is the most advantageous to the Town in terms of price, quality of service, the Proposer's qualifications and capabilities to provide the specified services and comply with the applicable conditions of this Request for Proposal and Contract, and who in the judgment of the Town will best serve the needs and interests of the Town.

The Town negotiates a contract with the firm ranked as the most qualified, at a rate of compensation that the Town deems fair, competitive, and reasonable. The firm and the Town shall hold detailed discussions to establish a clear project scope and the exact services the consultant will provide. If an agreement cannot be reached with the first firm, the Town shall begin negotiations with the second firm. Again, if an agreement cannot be reached with the second firm, the Town will begin negotiations with the next highest ranked firm.

The Town shall have the right to select who in the opinion of the Town will be in the best interest of and/or the most advantageous to the Town after considering the criteria set forth in this RFP. The Town also reserves the right to reject any Proposer who has previously failed in the proper performance of a contract or to deliver on time contracts of a similar nature with

other governmental entities or who, in the Town's opinion, is not in a position to perform properly under the intended contract award. The Town reserves the right to waive any minor informalities or technicalities in proposals received, as may be deemed in the best interest of the Town. Additionally, the Town reserves the right to reject all Proposers at any time prior to execution of a contract and to resolicit (or not) in its sole discretion. A decision to terminate the solicitation process may be made at any time before the Town enters into a contract with a selected Proposer. A recommendation of contract award does not constitute a contract. The award of contract to the selected respondent is subject to Town Council's approval and the execution of a contract with terms acceptable to the Town. The review committee makes recommendations to the Mayor and Town Council, and the Town Council ultimately has the authority to award contracts, including the right to re-rank Proposers differently than recommended by the review committee.

The criteria for selection shall be based on the selection criteria above, including the firm's qualifications, service location, past performance, and reference checks. The Town reserves the right, before awarding the contract, to require a respondent to submit evidence of its qualifications, as it may deem necessary. The Town shall be the sole judge of the competency of respondents.

PROPOSAL TO PROVIDE PROFESSIONAL SERVICES

TOWN OF FOREST HEIGHTS

PROFESSIONAL AUDITING SERVICES
DOLLAR COST BID SECTION

SEPTEMBER 9, 2020

SUBMITTED BY:

JACK REAGAN, PARTNER
UHY LLP
8601 ROBERT FULTON DRIVE, SUITE 210
COLUMBIA, MD 21046
410 423 4832 PHONE | 410 381 5538 FAX



*The next level
of service*

FEE PROPOSAL

We strive to keep our fees at the most reasonable level consistent with the highest professional standards. We look forward to a long-term relationship with the Town, one that is professionally satisfying and makes sound business sense for all parties. We are innovative-minded professionals with great experience but without the premium price.

Open, ongoing communication is an important component of our service. We will meet with your designated performance audit liaison regularly.

TOTAL ALL-INCLUSIVE MAXIMUM PRICE

UHY understands the pressures and concerns regarding fees for our governmental clients. Our fees reflect a significant discount from our standard hourly rate. Based upon our understanding of your financial information, we propose the following to conduct an audit of the Town's financial records and prepare the financial statement for the Town:

YEAR	ALL-INCLUSIVE MAXIMUM PRICE
FY 2020	\$20,000
FY 2021	\$20,000
FY 2022	\$20,600

The fees are all inclusive of the work to be performed and include general conversations with management on issues affecting the Town. We do not charge for routine discussions relating to our ongoing services or out-of-pocket costs. However, if any inquiry leads to work approaching the project level, we will meet with your management to agree on the scope of the services and final deliverables.

If our fee estimate is not in line with your expectations, we would be happy to discuss further and assess the balance between scope, cost and value. We have taken measures to be price sensitive on all our engagements and encourage a candid dialogue regarding our proposed hourly rates for additional services, by level, are as follows:

POSITION	HOURLY RATE
Partner	\$250
Manager / Supervisory	\$175
Senior Accountant / Specialist	\$150
Senior Staff	\$125
Staff	\$100

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Should our assumptions with respect to these matters be incorrect or should the condition of the records, degree of cooperation, or other matters beyond our reasonable control require additional commitments by us beyond those upon which our estimated fees are based, we may need to adjust our fees and planned completion dates accordingly. If we anticipate additional professional fees for reasons beyond our control, we will discuss the matter with you before we proceed.

VALUE-ADDED SERVICES

Our professionals place great emphasis on bringing value-added services to every client. The Town's audit team will focus on accumulating recommendations for process and internal control improvements throughout the audit. As a result of our deep government experience, we are able to provide our clients with best practice insight.

Examples of value-added services include:

- Providing annual graphs that break down our clients' financial trends into visual, year-to-year comparisons
- Helping clients develop policies and procedures by reviewing proposed procedures and providing examples from other nonprofit entities
- Providing industry and topic-specific training for our clients' staff and council members
- Communicating industry best practices to our clients for their benefit and helping them implement those practices
- Monitoring industry publications, news and pass on relevant financial and non-financial information to help our clients better improve their nonprofit organization

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UHY LLP

8601 Robert Fulton Drive, Suite 210
Columbia, MD 21046
Phone 410 423 4800
Fax 410 381 2524

UHY LLP is a licensed independent CPA firm that performs attest services in an alternative practice structure with UHY Advisors, Inc. and its subsidiary entities. UHY Advisors, Inc. and UHY LLP are U.S. members of Urbach Hacker Young International Limited, a UK company, and form part of the international UHY network of legally independent accounting and consulting firms.

UHY Advisors, Inc. provides tax and business consulting services through wholly owned subsidiary entities that operate under the name of "UHY Advisors." UHY Advisors, Inc. and its subsidiary entities are not licensed CPA firms.

"UHY" is the brand name for the UHY international network. Any services described herein are provided by UHY Advisors and/or UHY LLP (as the case may be) and not by UHY or any other member firm of UHY. Neither UHY nor any member of UHY has any liability for services provided by other members.

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PROPOSAL TO PROVIDE PROFESSIONAL SERVICES

TOWN OF FOREST HEIGHTS

PROFESSIONAL AUDITING SERVICES
TECHNICAL SECTION

SEPTEMBER 9, 2020

SUBMITTED BY:

JACK REAGAN, PARTNER
UHY LLP
8601 ROBERT FULTON DRIVE, SUITE 210
COLUMBIA, MD 21046
410 423 4832 PHONE | 410 381 5538 FAX



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Appendix 1: Peer Review Report

Appendix 2: Team Profiles

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September 8, 2020

Linwood Robinson
Town Administrator
Town of Forest Heights
5508 Arapahoe Drive
Forest Heights, MD 20745

Dear Mr. Robinson:

UHY LLP is pleased to present our qualifications to the Town of Forest Heights (the Town) to conduct an audit of the Town's financial records and prepare the financial statement for the Town for the fiscal year ending June 30, 2020.

At UHY, we realize that the decision of selecting a Certified Public Accounting firm for this project is important. You must concern yourself with whether the firm has the resources and relevant experience to execute the project, and whether those services will be provided in a responsive and cost-effective manner. We also understand the importance of delivering quality services at a fair price while minimally disrupting the Town's business operations. Your new auditor will help the Town demonstrate the financial accountability and integrity that is so important to town residents, and the auditor will also help demonstrate how the Town is able to manage its assets. And, perhaps as importantly, your auditor will provide sound, actionable advice on how to improve the Town's internal control over financial reporting.

We are confident that UHY, a national firm with a local presence, is uniquely positioned to deliver the breadth, depth, and quality of services that are essential for the Town. Our management team has a work ethic of proactive communication and involvement so we can assist with emerging risks and impact assessment such as the current impact of COVID-19 on control environments.

As full-time government auditors, we understand that governmental entities do not operate independently, but in an increasingly complex web of local, state, and federal relationships. We know how these relationships work, what they mean at the local level, and how every public organization's focus on resource management is critical to success. We pride ourselves in our agility that allows us to quickly and effectively respond to the changing environment and the new reality that this pandemic has created. Our client delivery model continues to provide seamless services virtually, regardless of location, by deploying tools, technologies and personnel as required. Our level of effectiveness in producing results for our clients has never wavered.

We differentiate ourselves by the way we conduct business in maintaining our integrity, objectivity, and independence while being sensitive to our clients' ecosystems and dynamics. We strongly believe in frequent and continuous communications with all stakeholders to receive feedback and understand the

Impact. This approach will ensure that our assessments are validated, findings are factual, reports are actionable and recommendations are feasible.

I will be the lead engagement partner for the Town. I am a nationally recognized leader in auditing state and local governments and have audited most of the largest governments in the DelMarVa area, including Montgomery County and Anne Arundel County in Maryland; Washington, D.C.; Loudoun County, Fairfax County, Alexandria, Henrico County, Chesterfield County, and Roanoke County in Virginia; and New Castle County in Delaware.

UHY is committed to performing the work within the time outlined in the RFP. This proposal is a firm and irrevocable offer of the engagement period.

We place great emphasis and value on the relationships that we have developed with our clients and look forward to the opportunity to develop the same collaborative relationship with the Town. We look forward to discussing this service proposal with you. In the meantime, please contact me with any comments or questions at 410 423 4832 or jreagan@uhy-us.com.

Very truly yours,



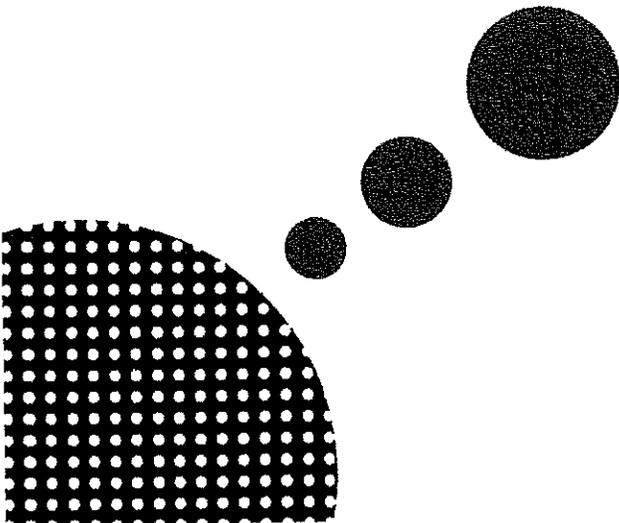
Jack Reagan, CPA
Partner, UHY LLP

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“

Government clients require professional advice that keeps management up-to-date on various trends and practices to help avoid penalties, accurate reporting to grantor agencies, and assure credibility with public stakeholders.

”



MANDATORY ELEMENTS

Firms meeting the following mandatory criteria will have their proposal evaluated and scored for technical qualifications.

1. The firm is independent and licensed to practice in the State of Maryland.

UHY LLP is an independent certified public accountancy firm and licensed to practice State of Maryland. Our license number is 36418, and it expires on 9/13/2021.

2. The firm submits a copy of its most recent external quality control (peer) review report and the firm has a record of quality audit work.

At UHY, we have invested significant resources to ensure that our clients receive the highest quality service. To ensure our commitment to quality, we have taken several steps:

- We are a member of both the Center for Public Company Audit Firms (formerly the SEC Practice Section) and the PCPS, the Alliance of CPA Firms (formerly the Private Companies Practice Section) of the AICPA Division for CPA Firms. As a member of both the Center and the PCPS, we must have our systems of quality control periodically reviewed by independent peers (AICPA peer review). UHY received a peer review report rating of "pass"—which is the best possible outcome. We have provided a copy of our most recent peer review letter in Appendix 1.
- We have established a Professional Standards Group (PSG). The PSG is responsible for the timely distribution of information about changing or pending changes to governmental accounting standards for both our engagement teams and our clients.
- We have established an annual Internal Monitoring Program as part of our quality control system. Senior audit professionals who are qualified as peer reviewers from other UHY offices perform inspections of our actual engagements in the same manner as an AICPA peer review. This ensures that our quality of work is maintained at the highest level from engagement-to-engagement and from year-to-year.

3. The firm's policy concerning continuing professional education.

UHY places a high priority on training for all professional staff, requiring 40-50 hours of continuing professional education each year. Additional information regarding our professional education training can be found later in our response in the *Expertise and Experience of the Audit Firm* section.

4. Affirmative statement the audit firm has at least five years of experience performing governmental audits.

UHY affirms that firm has at least five years of experience performing governmental audits. Your engagement partner Jack Reagan has been auditing governmental clients throughout the U.S. for over 30 years. Your engagement manager Bacary Badiaga has been performing governmental audits for six years, including managing audits for over one year.

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5. The firm adheres to the instruction in this request for proposals on preparing and submitting the proposal.

Following, we are pleased to present our qualifications in accordance with the RFP.

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EXPERTISE AND EXPERIENCE OF THE AUDIT FIRM

Provide a description and history of the audit firm. Please include the size of the firm and size of the governmental staff.

UHY LLP is a licensed national CPA firm that provides a full range of accounting and business consulting services to domestic and international companies in both the public and private sector. The firm was formed in 1968 and has been in business and grown for 50 years.

The audit services for the Town will be conducted from our Mid-Atlantic office, located in Columbia, Md. UHY established its Mid-Atlantic office in the fall of 2007 when it merged with a local firm that had roots dating back to 1910. In December 2018, the Mid-Atlantic office doubled in size when it merged with Berman Goldman & Ribakow (bgr CPAs). Currently, the Mid-Atlantic region has 16 partners and principals, and over 30 staff, bringing with them a wide variety of industry experience, including state and local government, real estate, not-for-profit, higher education, employee benefits, government contracting, manufacturing and distribution, construction, and technology.

Our client service model is based on a proactive style and passionate spirit that has allowed us to help our clients enhance growth, avoid financial pitfalls and reduce costs amidst ever-changing economic conditions. To serve our clients effectively, we have made a strong commitment to ensure that quality is built into every engagement. We call our philosophy *The Next Level of Service*. Our clients tell us it is what sets UHY apart from our competitors.

Our team brings unique skills, knowledge and experience to the Town. As previously mentioned, Jack Reagan is the proposed engagement partner for the Town. He has worked closely with most of the largest governments in the DelMarVa, including Montgomery County and Anne Arundel County in Maryland; Fairfax County and Loudoun County in Virginia; Washington D.C.; and New Castle County in Delaware. We have assembled a select, experienced team to serve on this engagement, including a partner and senior level professionals who

FIRM FACTS

- Top 15 accounting firm in Maryland, ranked by the *Baltimore Business Journal*
- Top 35 accounting firm in the country, ranked by *Accounting Today*
- 21 offices nationwide
- Over 900 professionals nationwide
- Over 60 Mid-Atlantic employees

DISTINGUISHING CHARACTERISTICS

- National municipal audit practice
- More than 50 years of experience providing financial and compliance auditing services for the municipal industry
- Partners and senior executives serving you with an average of 20 years of experience
- A commitment to engagement team continuity
- Hands on partner involvement and more partner attention
- In-depth technical and industry-specific expertise
- Economical fee structure

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will ensure that our services are efficiently provided. In addition to Jack, our team will include manager Bacary Badiaga, senior Omar Bahammou and staff accountant Tiffany Murphy. Each member has experience working with complex public sector entities such as the Town. Additional information about the team can be found in the later in this section.

Our firm does not require staff rotation for multi-year engagements. We feel this allows for consistency in the audit process and prevents clients from having to familiarize new staff on their accounting processes. The senior personnel assigned to your audit will serve as your contact throughout the year and will return to the audit year after year. We recognize the important elements in managing an engagement and can provide:

- Personal attention and direct involvement from partner to staff in all stages of the audit.
- Very low turnover of accounting staff. Some of the engagement team members have been with our firm their entire career and you can rely on the consistency of service year-after-year.

NATIONAL GOVERNMENT PRACTICE

With our internal capabilities and years of experience, we have the capacity to serve governmental organizations with distinction through the support of our National Government Practice. The professional services UHY provides to governmental organizations at the state and local level is an important and significant portion of our accounting, auditing, and consulting practice. We have a designated group more than 10 professionals within our Mid-Atlantic offices who dedicated most of their time to government and not-for-profit accounting, auditing and consulting services. In addition, should a need arise, UHY can call upon professionals throughout our 21 offices to assist the Town. This combination of diverse skills and knowledge will provide the Town with premium accounting and auditing services and adequate bench strength to meet the needs of the Town on a timely basis.

Our firm's public sector division is a well-recognized group of professionals with vast experience in servicing the unique requirements of its governmental clients. Nationally, we have audited numerous governments that participate in the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting program. Jack Reagan, the Town's proposed engagement partner, is a reviewer for this important GFOA program. Further, Jack is also a member of Association of School Business Officials (ASBO) International, and he has previously been a reviewer in their Certificate of Excellence in Financial Reporting Program.

UHY has performed numerous audits of organizations subject to financial and compliance audits. These audits were performed under auditing standards generally accepted in the United States, Government Auditing Standards, the Uniform Guidance (formerly known as OMB Circular A-133), and its Compliance Supplement (when applicable). UHY is a member of the AICPA Governmental Audit Quality Center and has demonstrated our commitment to audit quality, including those performed under Government Auditing Standards and Uniform Guidance.

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REPRESENTATIVE CLIENTS

Provide a list of governmental clients for which an audit was performed by your firm in the last three years, designating those which are currently clients. Please include a contact and reference and phone number for each of the audits listed.

There is no stronger message about quality than one heard first-hand from our clients. We are pleased to provide references for your convenience in verifying our consistent delivery of superior service to our clients.

HOWARD COUNTY, MD CHAMBER OF COMMERCE

Leonardo McClarty, Executive Director

6240 Old Dobbin Lane | Columbia, MD 21045 | 410 730 4111 | lmccarty@howardchamber.com

Engagement partner: Nancy Johnson

Contract dates: 2017 to present

Services provided: Audit the financial statements, prepare the Form 990, and prepare the management letter, required communications letter to the Board, and present the audited financial statements to the Board of Directors' Finance Committee.

ASSOCIATION OF AMERICAN RAILROADS

Carla Garcia - AVP, Human Resources/Administration

425 Third St., SW | Washington, DC 20024 | 202 639 2542 | cgarcia@aar.org

Engagement partner: Nelly Gizdova

Contract dates: 2014 to present

Services provided: We audit the 401(K) Plan, Defined Benefit Pension Plan, Health and Welfare Plan.

COLUMBIA, MD FESTIVAL OF THE ARTS, INC.

David Phillips, Executive Director

9190 Red Branch Road, Suite G | Columbia, MD 21045 | 410 715 3044 | phillips@columbiainc.com

Engagement partner: Nancy Johnson

Contract dates: 2014 to present

Services provided: We audit the financial statements.

HOWARD COUNTY, MD CONSERVANCY

Meg Boyd, Executive Director

1520 Old Frederick Road | Woodstock, MD 21163 | 410 465 7777 | meg.boyd@hccconservancy.org

Engagement partner: Nancy Johnson

Contract dates: 2016 to present

Services provided: We audit the financial statements and prepare the Form 990

We further encourage you to reach out to the following longtime clients of your proposed engagement partner, Jack Reagan. These clients will be able to describe the next level of service that Jack and his engagement teams have provided to them throughout his career.

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DISTRICT OF COLUMBIA
 Bill Slack, Deputy Chief Financial Officer
 District of Columbia Office of Financial
 Operations and Systems
 1100 4th Street, SW (East Tower), 8th Floor
 Washington, D.C. 20024
 202 442 8200 | bill.slack@dc.gov

MONTGOMERY COUNTY, MARYLAND
 Kim Williams, Controller
 Montgomery County Maryland
 Department of Finance
 101 Monroe Street
 Rockville, Maryland 20850
 240 777 8801 |
kimberly.williams@montgomerycountymd.gov

ALEXANDRIA, VIRGINIA
 Laura Triggs, Deputy City Manager
 City of Alexandria, Virginia
 301 King Street, Room 3500
 Alexandria, Virginia 22314
 703 746 4300 | laura.triggs@alexandriava.gov

In addition, as the Town will see below, we serve a broad array of public sector clients as a firm. A representative list of our public sector clients served in our Mid-Atlantic offices over the past five years includes:

- American Association of Colleges of Pediatric Medicine (Washington, DC)
- AMVETS National Service Foundation (Lanham, MD)
- AMVETS Charities (Lanham, MD)
- Baltimore County Public School System (Towson, MD)
- Columbia Downtown Housing Corporation (Columbia, MD)
- Congressional Institute (Alexandria, VA)
- Flexible Packaging Association (Annapolis, MD)
- Howard County Conservancy (Woodstock, MD)
- Howard County Lacrosse Program (Columbia, MD)
- International Eye Foundation (Kensington, MD)
- Maryland Coalition of Families (Columbia, MD)
- Maryland University of Integrative Health (Laurel, MD)
- National Association of Workforce Boards (Washington, DC)
- Society for Women's Health Research (Washington, DC)
- Sustainable Development Institute (Washington, DC)
- Women's Law Center of Maryland (Towson, MD)
- World Federation for Ultrasound in Medicine (Laurel, MD)

In addition, below are relevant governmental clients that UHY serves from our Michigan and New York offices:

- Albany Convention Center Authority
- Albany Port District Commission
- Algonac (MI)
- Bloomfield Hills Township (MI)
- Calhoun County (Marshall, MI)
- Capital District Regional OTB (Schenectady, NY)
- Capital District Regional Planning Commission (Albany, NY)
- City of Albany
- City of Benton Harbor (MI)

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- City of Detroit
- City of Ecorse (MI)
- City of Hazel Park (MI)
- City of Inkster (MI)
- City of River Rouge (MI)
- City of Waterford (NY)
- City of Watervliet (NY)
- City of Wayne (MI)
- County of Schenectady (NY)
- Crosswell (MI)
- Durand (MI)
- Eaton County (Charlotte, MI)
- GM RACER Trust/US Treasury (Detroit, MI)
- Greater Detroit Resource Recovery Authority (Detroit, MI)
- Independence Township (MI)
- Ingham County (Mason, MI)
- Isabella County (Mt. Pleasant, MI)
- Lapeer County (Lapeer, MI)
- Mackinac County (St. Ignace, MI)
- Marysville (MI)
- Memphis (MI)
- Metro (formerly Bi-State Transit) (St. Louis, MO)
- New York Convention Center Operating Corporation (New York, NY)
- New York Independent System Operator, Inc. (Rensselaer, NY)
- New York State Archives Partnership Trust (Albany, NY)
- Plymouth (MI)
- Pontiac Housing Commission (Pontiac, MI)
- Pontiac School District (Pontiac, MI)
- Royal Oak Township (MI)
- Sandusky (MI)
- Southeastern Michigan Regional Energy Office (Ferndale, MI)
- St. Clair (MI)
- St. Clair County (Port Huron, MI)
- State of Michigan
- Swartz Creek (MI)
- Tuscola County (Caro, MI)
- Wisconsin Compensation Rating Bureau
- Yale (MI)

TEAM

Please include resumes of partner, manager and senior staff who will be assigned to this audit.

When selecting an accounting firm, we find several common challenges that organizations are hoping to resolve by undertaking the selection process. These include deep industry knowledge, service that is more attentive, improved responsiveness, greater engagement team continuity, faster resolution of issues and decision-making, and recognizable value-added services. We are confident that we can remove these obstacles and deliver first-class service at a very reasonable price, thus allowing you to focus on operating your business instead of managing your accounting firm.

To ensure the right mix of expertise, we have assembled a select, experienced team to serve on this engagement. Our team includes a partner and senior level professionals who will ensure that our services are efficiently provided when working with the Town. Your UHY team will keep communication open all year long, not just during the audit fieldwork. Each member has experience working with public sector entities. This dedicated group of professionals will work

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closely together to ensure that our services are conducted as smoothly as possible and according to the timetable.



JACK REAGAN, CPA
ENGAGEMENT PARTNER
410 423 4832 | JREAGAN@UHY-US.COM

Jack Reagan, CPA, will serve as the engagement partner on the contract and part of the contract's key personnel. Jack is a leader in the Audit and Assurance Department and the leader of the firm's National Government Practice where he plays a key role in developing practices and procedures to improve the delivery of professional services to governmental entities.

Jack has spent over 30 years of his professional career serving large local governments, both locally and nationally. Jack has served many of the largest governments in the area, including Fairfax County, Loudoun County, the City of Alexandria, the City of Baltimore, Baltimore County, Montgomery County, Anne Arundel County, and the District of Columbia. Nationally, Jack has served entities such as Metro Nashville/Davidson County, New York City, and the States of New York, Texas, California and Florida. Jack is currently leading the audit of the Howard County Industrial Development Authority and an attestation engagement for the Maryland Racing Commission. He is also the co-lead partner responsible for the audit of the District of Columbia.

Jack is also an active presenter on governmental accounting and auditing issues, having presented to the Maryland Society of CPAs government day on numerous occasions as well as various state of Maryland CPA chapters. Jack is a licensed CPA in the State of Virginia. He is a member of the American Institute of Certified Public Accountants, the Association of Government Accountants, the Association of School Business Officials, and the Government Finance Officers Association. In addition, he serves on the University of Richmond Accounting Department Advisory Board and the University of Richmond Robins School of Business Dean's Advisory Board.

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BACARY BADIAGA, CPA
MANAGER
410 423 3443 | BBADIAGA@UHY-US.COM

Bacary Badiaga is a manager and a member of the Audit and Assurance Department, and has over five years of experience in the audit of state and local governments and not-for-profits. Bacary has supervised several large state and local government audits, including the District of Columbia and the Maryland Department of Transportation. In addition, he helped several government clients improve their financial reporting and internal controls. He specializes in internal controls evaluation. Bacary attends 40-50 hours of continuing professional education each year, primarily focused on not-for-profits and government auditing requirements. Bacary is currently managing an attestation engagement for the Maryland Racing Commission and assisting with managing an attestation engagement with the Calvert County Fire and Rescue Department.



OMAR BAHAMMOU
SENIOR ACCOUNTANT
410 423 3447 | OBAHAMMOU@UHY-US.COM

Omar Bahammou is a senior accountant and a member of the Audit and Assurance Department. He provides attestation and assurance services to companies in a variety of industries, specializing in local governments and not-for-profits. Omar provides audit and attest services under generally accepted auditing standards with a focus in efficiency and precision. He performs analytical procedures during audit and review engagements and ensures compliance with established internal control procedures by examining records, reports, operating practices, and documentation. Omar previously served as an auditor at the International Relief and Development HQ, conducting evaluations of the organization to assess risk and compliance with regulations, completing audit workpapers by documenting audit test and findings, and preparing audit and control reports after analyzing and summarizing operation information and trends from HQ and field offices. Omar attends 40-50 hours of continuing professional education each year, primarily focused on government and not-for-profits. He is currently working on several not-for-profit and uniform grant guidance engagements.

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TIFFANY MURPHY
 STAFF ACCOUNTANT
 410 423 4843 | TMURPHY@UHY-US.COM

Tiffany Murphy is a staff accountant and a member of the Accounting and Audit Department. She was a team member serving on the Baltimore County Schools forensic audit engagement. She provides attestation services to state and local governments, Common Interest Realty associations, and not-for-profit organizations. She attends 40-50 hours of continuing professional education each year, primarily focused on government and not-for-profits. Tiffany is currently the staff accountant on an attestation engagement of the Calvert County Fire and Rescue Department.

Our team brings unique skills, knowledge and experience to the Team. Resumes of our audit team highlighting our professional staff qualifications are included as Appendix 2.

TRAINING

Discuss the firm’s process of ensuring that all individuals who will be performing audit work have received adequate continuing professional education within the two preceding years.

UHY places a high priority on training for all professional staff. Further, your engagement team attends training conferences sponsored by the Maryland Association of Certified Public Accountants (MACPA), the American Institute of Certified Public Accountants (AICPA) and the Association of Certified Fraud Examiners (ACFE). Conferences attended by the personnel assigned to the Town’s engagement include the following:

- MACPA Governmental Day
- MACPA Non-Profit Day
- AICPA Employee Benefit Plans Conference
- AICPA Not-for-Profit Conference
- AICPA Governmental Accounting and Auditing Update Conference
- AICPA Governmental and Not-for-Profit Training Program
- ACFE Global Fraud Conference

In addition to conferences, UHY provides in-house training for all staff on a frequent basis. UHY personnel attend at least 24 hours of professional development delivered in house at our UHY national headquarters in Michigan. This training is level specific and is attended by UHY personnel from around the US. UHY training classes attended by the personnel assigned to this engagement include the following:

- GASB Updates
- Governmental accounting updates
- Single Audit Basics, Updates and Review
- Fraud Interviewing
- Fraudster Techniques
- Governmental Auditing Techniques
- Auditing and Accounting Updates

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Recently, your engagement partner, Jack Reagan, developed and led a series of 12 one-hour webinars delivered internally to our UHY government and not-for-profit audit teams. Topics ranged from a GASB update to the impact of the COVID-19 related government office shutdown on our audit approach to a series of grant audit updates touching on unique COVID-19 related programs such as the FEMA Disaster Assistance Program. Jack has also led a series of webinars for the Michigan Minority Supplier Development Council to engage in outreach efforts around CARES Act monies available to that community and how to access those funds.

Through our mix of in-house training and attendance at professional development conferences, we believe we will be able to provide the Town with technically qualified staff throughout the term of the engagement.

Each member of the UHY LLP service team that will be assigned to the Town's audit meets or exceeds the Yellow Book Continuing Professional Education Requirements as outlined by the Government Accountability Office's *Government Auditing Standards* within the preceding three years.

PEER REVIEW

Please include results of the firm's recent peer review and its status under the AICPA peer review program.

As previously mentioned, we have invested significant resources to ensure that our clients receive the highest quality service.

As your auditor, we will work with you to help solve your problems and reach your goals. Results are the focus of our service. We approach each assignment with dedication and resolve to maintain quality in everything we do. To ensure our commitment to quality, we have taken several steps:

- We are a member of both the Center for Public Company Audit Firms (formerly the SEC Practice Section) and the PCPS, the Alliance of CPA Firms (formerly the Private Companies Practice Section) of the AICPA Division for CPA Firms. As a member of both the Center and the PCPS, we must have our systems of quality control periodically reviewed by independent peers (AICPA peer review). UHY received a peer review report rating of "pass"—which is the best possible outcome. We have provided a copy of our most recent peer review letter in Appendix 1.
- We have established a Professional Standards Group (PSG). The PSG is responsible for the timely distribution of information about changing or pending changes to governmental accounting standards for both our engagement teams and our clients.
- We have established an annual Internal Monitoring Program as part of our quality control system. Senior audit professionals who are qualified as peer reviewers from other UHY offices perform inspections of our actual engagements in the same manner as an AICPA peer review. This ensures that our quality of work is maintained at the highest level from engagement-to-engagement and from year-to-year.
- UHY LLP utilizes leading-edge tools such as Aspen Publishing's "Accounting Research Manager" (ARM). ARM, a nationally-recognized research tool, has a complete on-line library of all FASB, GASB, AICPA, EITF, SEC, and PCAOB auditing and all GAAP accounting standards as well as related exposure drafts and EITF minutes. This tool is updated daily and available on the Internet to research GAAP-related issues immediately. We receive updates on the status of new pronouncements and interpretations, which we share with our

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clients and staff. This powerful tool is critical to addressing our client's technical matters effectively and efficiently. If a client has an accounting issue upon which they would like research, we will conduct the appropriate research using ARM. Then it is reviewed by the partner-in-charge and a report is prepared for the client.

We are also required to undergo a peer review every three years. As part of the peer review, state and local audit engagements may be selected to ensure that the conduct of the work conforms to AICPA, GAO and UHY professional standards. Further, we are also subjected to desk reviews of our audits from federal and state government grantors. No material adverse findings have arisen from any such desk reviews in the past three years.

DISCIPLINARY

Describe regulatory action taken against the firm by an oversight body, if any, and any disciplinary actions that have been brought against the firm.

UHY LLP has had no instances of disciplinary action taken or pending against the firm during the past three years with state regulatory bodies or professional organizations. Further, UHY LLP has not been the subject of any American Institute of Certified Public Accountants (AICPA) or State Society of Ethics referrals, including but not limited to AICPA Interpretation 501-3. UHY LLP certifies to the best of its knowledge and belief, that it and its principals:

- Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency
- Have not within a five-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission or embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property
- Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
- Have not within a five-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

SINGLE AUDITS

Provide a brief discussion about the firm's expertise and experience, including Single Audits and test of compliance with laws and regulations.

As previously stated, UHY has performed numerous Single Audits of organizations subject to financial and compliance audits. These audits were performed under auditing standards generally accepted in the United States, Government Auditing Standards, the Uniform Guidance (formerly known as OMB Circular A-133), and its Compliance Supplement (when applicable). UHY is a member of the AICPA Governmental Audit Quality Center and has

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demonstrated our commitment to audit quality, including those performed under Government Auditing Standards and Uniform Guidance.

ADDITIONAL SERVICES

Give a description of the firm's ability to perform additional services and provide technical support throughout the period of engagement.

As a multi-national accounting, tax and consulting firm, we have the capabilities to deliver a wide variety of services. The following highlights our broad audit, tax and advisory services capabilities:

AUDIT & ASSURANCE

- Financial statement audits
- Reviews and compilations
- Employee benefit plan audits
- Financial forecasts and projections
- Attestation services including agreed upon procedures and SOC reports under SSAE 18
- Attestation services for cybersecurity (SOC) and HIPAA compliance
- Financial reporting assistance
- Due diligence
- Audit committee advice
- Implementation of accounting standards

TAX PLANNING & COMPLIANCE

- Federal income tax planning and compliance
- Business formation and entity structuring
- State and local taxes and incentives
- Unclaimed property
- International tax planning and compliance
- Transfer pricing
- Executive tax and financial planning
- Research and development credits
- Cost segregation
- Estate and succession planning
- Expatriate tax
- Compensation and benefits

ADVISORY

- Internal audit, risk and compliance
- Cybersecurity
- Mergers and acquisitions
- Management and technology consulting
- Resource solutions

FORENSIC, LITIGATION & VALUATION

- Financial fraud examinations and investigations
- Business valuation
- Commercial litigation and financial damage analysis
- Expert witness testimony
- Business insurance claims measurement and consulting
- Accountant malpractice claims
- Family law and divorce consulting

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TECHNICAL APPROACH

SERVICES PROVIDED

Clearly describe the scope of the required services to be provided including a full discussion of your firm's auditing techniques and procedures to be used for both financial and compliance aspects of the engagement.

UHY understands that the Town requires an audit of the financial statement of the Town in accordance with generally accepted auditing standards. The audit shall result in the preparation of financial statements from the audited records of the Town with UHY's opinion.

WORK PLAN

Describe the firm's approach to becoming familiar with the new client's operation.

Discuss the firm's approach and level of client staff support necessary to complete the work as outlined in the proposal.

We base our audit approach on a conceptual framework that enables us to design a program for each specific audit engagement. We focus our audit effort—and get tremendous results—where audit risks and significance are the greatest. This requires a disciplined approach in determining audit effort. The procedural focus is on your transactions, a focus that unifies the audit effort around the financial reporting that summarizes your operations. Initially, we aim to understand your operations—a vital part of a successful audit. Further, we continue to understand the operating transactions, the tangible evidence of business activity and the unifying ingredient in the internal accounting control system. Our understanding enables us to focus our effort on the potential errors in transactions or their recording for the period under audit and on judgments regarding probable future transactions and their effect on financial information being reported. **We have developed a four-phase audit methodology to deliver the next level of service to you.**

TAILORED APPROACH

- Four-phase audit methodology
 - Phase 1: Planning
 - Phase 2: Internal Controls Evaluation
 - Phase 3: Testing & Analysis
 - Phase 4: Reporting
- Audit Communication Process
- Quality Assurance

At UHY, we take pride in conducting an effective and efficient audit through smart use of technology. We utilize CCH ProSystem Fx as our means of achieving this paperless audit. CCH allows us to import your trial balance, generate lead sheets, scan relevant client-supporting documentation, and maintain both Excel and Word documents to evidence our audit testing. This also allows us to prepare the financial statements and related notes effectively and efficiently.

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Our audit approach includes using data extraction software called IDEA. This software allows us to efficiently test large amounts of data that would otherwise be time consuming to download, identify, and test. We use IDEA to identify and test non-standard journal entries posted to the general ledger. We can download journal entries from your system and tailor our procedures based on the nature and type of journal entries rather than just randomly selecting entries. By using this approach, we can focus on areas and entries that might be higher risk or entries that are posted to accounts where such entries might not be expected.

PHASE 1: ENGAGEMENT PLANNING

We believe that preliminary planning is key to the proper implementation of a quality audit. Accordingly, we will begin our examination by reviewing important financial information provided by the Town. This preliminary work will begin with a conference with management and staff to identify and gather resources which are already available.

PHASE ONE – PLANNING

- Preliminary planning is key
- Gain understanding of current state
- Delivery of audit plan and PBC schedule
- Utilize existing documentation and minimize “audit only” schedules

The preliminary planning items will include:

- Review of prior years’ financial statements (including review of prior auditor’s work papers).
- Discuss any changes to the Town’s internal control structure with management.
- Review the current applicable accounting and auditing pronouncements, including those of the Governmental Accounting Standards Board; Federal, State and local laws and regulations; and other standard setting bodies.
- Review new material contracts and grant agreements (especially important this year due to impact of new grants and additional grant funding received from various COVID-19 funding vehicles), review updates to the Town’s policies and procedures, gain an understanding of the annual budget, and obtain an overview of the Funds’ operations.

The planning phase will also include specific items that are tailored to the Town’s operations and structure, and will include:

- Procedures related to understanding the fraud risks that may impact the Town, their operations, and their financial reporting. Such procedures will include inquiries of employees, management, and others charged with governance.
- Analytical procedures applied to financial data, which will be used to develop relationships and expectations, identify unusual and expected activity, and assist with the design of audit procedures. Analytical procedures will include ratio analysis, comparisons to prior year’s data, and relationship analysis. This will again be an important step in this year’s audit due to the continuing impact of COVID-19 on the national, state and local economy.
- Calculation of materiality levels. Materiality, when used in conjunction with the calculation of individually significant items, will be used to determine areas of focus, testing selections, and extent of testing.

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- Risk assessment procedures will be performed to assist with the identification of significant audit areas and risks of material misstatement. There are many facets to the engagement's overall risk profile such as organization risk, engagement risk, inherent risk, and control risk. Specific procedures such as inquiries, observations, and internal control walkthroughs will be used to understand these risks and what impact they have on the engagement and the design and implementation of audit procedures.
- Identification of laws and regulations that will be subject to audit test work. We will review applicable legislation, hold discussions with Town leadership and legal counsel, and use our understanding of local governments to identify the laws and regulations we will test.

At the end of the planning phase, we will provide the Town with a detailed audit plan. The key to the audit plan is a prepared-by-client (PBC) schedule. The PBC schedule details the documentation we will require the Town's staff to furnish for us to complete the audit. We will endeavor to utilize existing documentation already prepared by the Town to conduct the audit. These may include, but are not limited to, the Town's financial statements, organizational charts, manuals and programs; and financial and management information systems. We will minimize any "audit only" schedules that we ask the Town to prepare. **The audit is meant to test the Town's internal control over financial reporting, and the schedules and reconciliations regularly prepared are integral to that internal control structure, which is why we rely on them to the greatest extent possible.**

PHASE 2: INTERNAL CONTROLS EVALUATION

Our identification of material types of transactions, sources of evidence, and potential errors enable us to obtain an understanding of our client's accounting systems and controls which prevent, detect, and/or correct potential errors. This understanding provides a means by which we can evaluate the internal controls and plan our audit approach. After we have obtained this preliminary understanding, we verify it using "walk-through" procedures. In the "walk-through" procedures, a small number of each material type of transaction is traced through the internal controls process from initiation to processing to recording to test the design of the controls. Once we are satisfied with the accuracy of the data, we evaluate the internal controls and plan our audit approach. For financial statement purposes, if we determine that the controls are designed appropriately, we then consider whether to test the operating effectiveness of those controls.

PHASE TWO – INTERNAL CONTROLS

- Gain understanding of accounting system and internal controls
- Test Information Technology Controls
- Data Analytics & Sampling

The objective of the following activities is to develop our audit strategy and guide us on the proper level of internal control testing and substantive testing. Our audit plan details our approach to the audit and will specifically include:

- The planned degree of reliance on internal controls
- The planned extent of substantive procedures
- The timing of audit procedures
- Other major planning decisions

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Our initial decision in designing our audit approach will be the extent to which we can depend upon internal controls to prevent material misstatements, whether caused by error or by fraud. If we decide that it would be cost effective and efficient to rely upon internal controls, we then design tests of controls to corroborate our evaluation as to their apparent reliability, and plan to reduce our substantive tests for the relevant potential errors. We also plan the timing of these tests. If the results of our tests of controls are satisfactory, we assess the likelihood of errors in the financial statements and perform our planned substantive procedures. If the results of our tests are unsatisfactory, we revise and increase our planned substantive procedures. If we do not plan to rely on internal controls for our audit of potential errors, we plan the extent and timing of substantive procedures to reduce audit risk to an acceptable level.

The system of administrative and accounting controls relating to the Town's expenditures will be reviewed and documented to determine the amount of testing which may be necessary and to determine the extent and nature of the substantive tests that we will perform. Evaluations will include, but not be limited to, the following areas:

- Cash and Investments (including restricted cash and investments)
- Tax revenue and receivables
- Receivables and revenues from other governmental units
- Capital assets
- Accounts payable
- Accrued liabilities, including payroll and post-employment benefit accruals and expenses
- Unearned revenue
- Bonds payable
- Other non-current liabilities
- Net position
- Compliance with laws and regulations
- Evaluation of past audit results

ELECTRONIC DATA PROCESSING AUDIT INTEGRATION

One of the most critical aspects of the Town's internal control over financial reporting is its information technology environment. As part of our internal controls' evaluation, we will conduct certain tests of the Town's information technology controls. During our preliminary planning, we will validate our understanding of the IT environment, including updating our system inventory. We will obtain an understanding of the information technology general controls, including, but not limited to, the organization chart (segregation of duties), IT policies and procedures documentation, network and data security, system program change controls, and system development lifecycle controls. For certain systems—such as the payroll system and cash disbursements system—we may identify an automated application control upon which we want to rely to reduce the nature and extent of our substantive procedures. If appropriate, we will test the design and configuration of that application control.

DATA ANALYTICS & SAMPLING

The preferred method of gathering evidential matter is the use of data analytics over large populations of data to identify items that require further testing. An example of using data analytics is to investigate transactions just below a key

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authorization control level (say \$10,000) to determine whether such a transaction is valid. To supplement the use of data analytics, we will conduct audit sampling. We will use audit sampling during our examination to evaluate the degree of reliance that can be placed on your internal controls. To the extent practicable (from an audit effectiveness and efficiency perspective), we will conduct statistical sampling using our IDEA software described earlier.

Depending on the risk, our statistical sampling parameters have a 90 percent confidence interval with a 10 percent upper precision limit (lower risk) or a 95 percent confidence interval with a five percent upper precision limit (higher risk). If we determine that a judgmental sample is the most effective sampling technique, our sample size will be determined by the frequency of the control being tested. We generally select a sample of two or three items for a control being conducted monthly (like a bank reconciliation), a sample of between five and eight for a weekly control, a sample of between 10 and 15 for a daily control, and a sample of between 25 and 60 items for populations with large, recurring transactions (such as cash disbursements). These sample sizes also depend on our assessed level of control and inherent risk, with higher risks resulting in larger samples and lower risks resulting in lower samples.

PHASE 3: TESTING AND ANALYSIS

In the third phase of our audit, we conduct the substantive testing of account balances required by generally accepted auditing standards. Our substantive testing consists of either a test of details or an analytical procedure over an account balance. We often choose to perform a substantive test of details in conjunction with the detailed sample items selected as part of our internal control testing. In utilizing the sample item for both our internal control testing and our substantive testing of the specific account balance, we can conduct an effective and efficient audit. Such dual-purpose testing is effective in testing cash receipts and payable disbursements. Other substantive tests of details can include testing of year-end account reconciliations and investigation of reconciling items.

ANALYTICAL PROCEDURES

We will supplement our tests of details with the effective and efficient use of analytical procedures. In applying an effective and efficient analytical procedure testing of an account balance, we develop an expectation of what we believe that account balance should be as of year-end, based on several factors, such as our understanding of the known expected relationships. Further, we can use techniques such as trend analysis and ratio analysis to identify deviations from the expected that require further testing.

PHASE 4: REPORTING

After the testing is completed and results are evaluated, any remaining open matters are discussed with the Town's staff to ensure all questions and issues have been sufficiently addressed. The engagement team reviews the audit procedures and work papers while in the field, which means that we minimize the time needed for follow-up questions after the team leaves the field.

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Following the completion of the audit of the fiscal year's financial statements, UHY will issue:

- A report on the fair presentation of the basic financial statements in conformity with generally accepted accounting principles.
- A management letter
- A governance letter

SINGLE AUDITS / UNIFORM GRANT GUIDANCE

We understand that, historically, the Town has not met the expenditure threshold triggering a required Uniform Grant Guidance audit, previously known as a Single Audit. Should the Town expend a total of more than \$750,000 in federal expenditures, which in fiscal year 2020 would include monies received from the federal government for COVID-19 remediation activities, the Town would need to obtain a Uniform Grant Guidance audit. We have included a description of our uniform grant guidance audit approach below.

PLANNING

Our grants audit approach starts with obtaining a preliminary Schedule of Expenditures of Federal Awards (SEFA). We agree selected amounts on the SEFA to the general ledger or submitted reports to test amounts for completeness. We conduct an analytical review of current year expenditures against prior year expenditures to identify any unusual changes, which assists us in determining the reasonableness of the current year expenditures. Once we are comfortable with the amounts reported on the SEFA, we determine the Type A/B program threshold to begin our major program determination.

FOUR-PHASE APPROACH

- Phase 1: Planning
- Phase 2: Test Internal Control Over Compliance
- Phase 3: Conduct Substantive Tests of Compliance
- Phase 4: Reporting

Once all Type A programs are identified, we conduct the required risk assessment to determine whether the federal program is considered a high risk or a low risk program. For a Type A program to be considered low-risk, it must have been audited as a major program in at least one of the two most recent audit periods (in the most recent audit period in the case of a biennial audit), and in the most recent audit period, the program must have not had: (1) internal control deficiencies which were identified as material weaknesses in the auditor's report on internal control for major programs; (2) a modified opinion on the program in the auditor's report on major programs; or (3) known or likely questioned costs that exceed five percent of the total Federal awards expended for the program.

Once all high-risk type A programs are identified, we conduct our risk assessment on Type B programs. We must identify Type B programs that are high risk using professional judgment and criteria established by the Uniform Grant Guidance. However, the auditor is not required to identify more high-risk Type B programs than at least one-fourth the number of low-risk Type A programs identified as low risk. Except for known material weakness in internal control or compliance problems as discussed in §200.519, a single criterion in risk

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would seldom cause a Type B program to be considered high risk. When identifying which Type B programs to risk assess, we use an approach that provides an opportunity for different high-risk Type B programs to be audited as major over a period, adding an element of unpredictability to our audits and providing you with additional feedback and insight into the financial management of other programs.

Once the high-risk Type A programs and Type B programs are identified as major programs, we determine whether those major programs collectively meet the percentage of coverage rule (20 percent of total expenditures if low-risk auditee and 40 percent if high-risk auditee). Once the major programs are identified, for each program, we then determine the applicable compliance requirements to be tested.

TEST INTERNAL CONTROL OVER COMPLIANCE

We are required to obtain an understanding of internal control over compliance with the direct and material compliance requirements identified for each major program. To obtain this understanding, we review your policies and procedures over these grant programs as well as hold discussions with your personnel that implement those procedures. To test whether such controls are designed appropriately and operating effectively, we draw a sample of transactions that flow through those control points to determine whether such controls are operating effectively. For controls that are applied monthly, we will select at least two or three transactions. For controls that are applied weekly, we will select at least five to eight transactions. For controls that are applied daily, 15 to 25 transactions are selected, and, for controls that operate more frequently than daily, we will select at least 25 to 60 transactions. If we determine that there was an error, we may consider expanding our sample.

CONDUCT SUBSTANTIVE TESTS OF COMPLIANCE

In addition to the internal control testing, we must perform testing to determine whether you complied with the direct and material compliance requirements for each of your major programs. Generally, we will utilize the same sample that we selected for our internal control testing to test for compliance. This technique allows us to be more efficient and incurs less time by your personnel in supporting the audit. Like our internal control approach, we may consider expanding our sample if we identify an instance of non-compliance.

REPORTING

At the end of this phase of our audit, we must report any significant deficiencies and material weaknesses in internal control over major programs and significant instances of abuse relating to major programs. We must also report any material noncompliance with the provisions of Federal statutes, regulations, or the terms and conditions of Federal awards related to a major program. We report known questioned costs that are greater than \$25,000 for a type of compliance requirement for a major program. We must also report known questioned costs when likely questioned costs are greater than \$25,000 for a type of compliance requirement for a major program. We also must report known questioned costs that are greater than \$25,000 for a Federal program that is not

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audited as a major program. We report these findings through the issuance of our various single audit reports.

Our reports must include the following:

- An opinion (or disclaimer of opinion) as to whether the schedule of expenditures of Federal awards is fairly stated in all material respects in relation to the financial statements as a whole.
- A report on compliance for each major program and a report on internal control over compliance. This report must describe the scope of testing of internal control over compliance, include an opinion or disclaimer of opinion as to whether the auditee complied with Federal statutes, regulations, and the terms and conditions of Federal awards which could have a direct and material effect on each major program and refer to the separate schedule of findings and questioned costs.

A schedule of findings and questioned costs which must include:

- The type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP (i.e., unmodified opinion, qualified opinion, adverse opinion, or disclaimer of opinion);
- Where applicable, a statement about whether significant deficiencies or material weaknesses in internal control were disclosed by the audit of the financial statements;
- A statement as to whether the audit disclosed any noncompliance that is material to the financial statements of the auditee;
- Where applicable, a statement about whether significant deficiencies or material weaknesses in internal control over major programs were disclosed by the audit;
- The type of report the auditor issued on compliance for major programs (i.e., unmodified opinion, qualified opinion, adverse opinion, or disclaimer of opinion);
- A statement as to whether the audit disclosed any audit findings that the auditor is required to report under 2 CFR 200. §200.516;
- An identification of major programs by listing each individual major program; however, in the case of a cluster of programs only the cluster name as shown on the Schedule of Expenditures of Federal Awards is required;
- The dollar threshold used to distinguish between Type A and Type B programs, as described in §200.518 Major; and
- A statement as to whether the auditee qualified as a low-risk auditee

SCHEDULE

Provide a schedule showing the firm's approach to planning the audit and timing of fieldwork and sampling techniques to be performed.

Below are the following deliverables with the due date for each:

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Deliverable	Timeline
FY 2020 Begin Preliminary Work	within 10 days of contract award
FY 2020 Begin Post-Closing Work	November 1, 2020
FY 2020 Preliminary Report Completion	December 15, 2020
FY 2020 Final Report Completion	December 31, 2020
FY 2020 Report Submission	December 31, 2020
FY 2020 Exit Conference	December 31, 2020

This time schedule is dependent upon the availability of all records, including supporting documentation prepared by the Town and provided to us before the start of fieldwork. If for some reason delays are incurred, we will communicate those delays at our weekly status meetings to detail any changes in the projected schedule to the Town.

AUDIT COMMUNICATION PROCESS

Address how key personnel (partner, manager) will be adequately involved and accessible through the performance of the audit.

STATUS MEETINGS

A crucial element of our quality control process is conducting regular, recurring status meetings. In these meetings, UHY audit team members and Town personnel will have robust and frank discussions about the progress being made on the audit, any potential audit findings and any audit delays. We will provide an agenda for each status meeting at least 24 hours before the meeting occurs. If relevant, we will present an updated prepared by client list at each meeting to document outstanding data requests and any delays that we are encountering. We will prepare minutes for each of these meetings and circulate them to all meeting attendees within 24 hours of the meeting. These minutes will include any action steps to be taken, by either UHY or the Town, to keep the audit moving forward. Regular status meetings keep all interested parties apprised of progress and air any differences or barriers to completing the audit.

STAFF CONTINUITY

As previously stated, our firm does not require staff rotation for multi-year engagements. However, as is common in public accounting and in business in general, there may be an occasion where a team member assigned to the Town’s audit engagement leaves UHY. Historically, our staff turnover rate has been extremely low (less than 10 percent annually) which is significantly below the average turnover in public accounting firms of close to 25 percent annually. When we become aware that a staff member assigned to the Town engagement is leaving the firm, we will identify a suitable replacement and provide the resume of the proposed replacement to the purchasing agent for review and approval. We will endeavor to schedule the staff who performed the

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Town audit in subsequent years to take advantage of the prior audit knowledge developed by those personnel. Should those staff members be reassigned to another engagement and not return, we will again provide the Town with a copy of the resume of the proposed replacement for review and approval.

AUDITING UNDER A "STAY AT HOME" ORDER

These are certainly unprecedented times. As COVID-19 continues its impact both locally and nationally, traditional office work has come to a near halt, and telework has become the norm. Audit risks in this changing environment have increased. You should be concerned, from an audit perspective, with three areas: 1) how have processes changed? 2) how have disclosures changed? and 3) how will we conduct the audit in a "locked down" environment?

The basics of what you must audit have not fundamentally changed. We will still follow our four-phased approach. However, we will focus much greater attention, in this new environment, on how you initiate, process, and record transactions. We are prepared to assist management in documenting how these processes have changed in response to the more distributed control environment, if management has not yet done so. Using the process walkthroughs, we will document our understanding of the new aspects of the control environment. If we identify risks that the current internal controls over financial reporting do not address, we will provide management with concrete recommendations on how to improve the internal control. It would not be unexpected to see an increase in deficiencies in internal control reported over the next audit cycle due to this rapid change from a "brick and mortar" control environment to a "virtual" control environment.

We believe that virtually every set of financial statements issued over the next two years (2020 and 2021) will have extensive disclosures on the impact of COVID-19 on the entity. We expect that the District will have extensive disclosure in its financial statements relating to the impact of the virus on its financial operations, both for the year ending June 30, 2020, and for the foreseeable future. The AICPA and the SEC have begun to promulgate accounting and auditing guidance related to the virus. We understand that the SEC guidance is not applicable to governmental and not-for-profit entities, but we believe it represents "best in class" disclosures that you should consider. We will continue to monitor the activities of the AICPA and SEC and apprise management of any changes that will impact the Town.

In a locked down environment, your audit team will not be able to have the traditional "face to face" interaction with the auditee that we need to obtain our process understanding. As such, we will use technology to hold such meetings. By using Zoom, GoToMeeting, or similar video conferencing technology, we will be able to meet with necessary District personnel to obtain our understanding of the control environment. We will use similar technology to conduct our entrance conferences, status meetings, and exit conferences. We believe that these meetings are critical to the appropriate execution of the audit, and we will continue to hold them, just in a different manner.

We also plan to use a software product called Suralink to facilitate document transfer. Suralink operates using a secure file transfer protocol so we can upload

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all documents safely. Only invited users will be able to upload and download documents. When we create the PBC list, Suralink will automatically track uploaded documents against the PBC list and report out the status of all PBC items to both the District and UHY. This will also allow us to manage who can access the data submitted for the audit and thereby ensure that it is transmitted and maintained securely. We will also monitor the status of outstanding audit requests to keep the project on time and on budget. When we use Suralink in tandem with Zoom, GoToMeeting, or other video conference technology, we can substantially recreate the traditional audit environment to ensure that we are managing the audit risk appropriately.

REFERENCES

Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

Our references can be found in the Representative Clients section on page 8.

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CONTACT

The proposal must clearly identify the firm's contact person concerning the proposal, the firm's main and/or local addresses, telephone number, and email address where the contact person can be reached.

As previously stated, Jack Reagan will be the engagement partner for the Town. His contact information is as follows:

Jack Reagan
Partner
UHY LLP
8601 Robert Fulton Drive, Suite 210
Columbia, MD 21046
410 423 4821 | jreagan@uhy-us.com

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SCHEDULE FOR PROVISION OF WORK

The proposal must indicate the firm's anticipated availability for the project and an estimated performance schedule, if selected. A detailed schedule presentation is an important consideration for the proposal review.

We will schedule the audits in a manner consistent with when you required the audits to be done historically. As a national firm, we have the resources to be able to conduct these audits on your required timetable, not on ours.

Once we mutually agree on a time to conduct the audits, as we indicated earlier, one of the first items we develop for the audit is our PBC list. We generally request a three to five business day turn around for any PBC items that we request. All items that are requested are generally those that you normally prepare in the ordinary course of business, so they should not take that much time to provide to us. Other more granular audit items, for instance cash disbursement sample items, may take a bit more time to gather as they are more granular, hence the additional turn-around time provided. If the Town needs more than three to five business days to provide items, we will discuss those "ground rules" at the audit entrance conference and agree to a reasonable time if requested.

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APPENDIX 1: PEER REVIEW REPORT

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OFFICE LOCATIONS

California

Orange County
949 556 8905

Connecticut

Norwalk
203 401 2101

West Hartford
860 519 1726

Farmington
860 676 9020

Florida

Miami
305 438 7993

Georgia

Atlanta
678 602 4470

Maryland

Columbia
410 423 4800

Frederick
301 695 1040

Michigan

Ann Arbor
734 213 1040

Farmington Hills
248 355 1040

Detroit
319 964 1040

Sterling Heights
586 254 1040

Missouri

St. Louis
314 615 1301

New York

Albany
518 449 3171

New York
212 381 4800

Rye Brook
914 697 4966

Report On Peer Review

We are pleased to provide a copy of UHY LLP's most recent peer review report dated January 31, 2018 as well as the related letter from the Chair of the American Institute of Certified Public Accountants' National Peer Review Committee notifying us that the Committee accepted our peer review report on May 30, 2018. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. UHY LLP received a peer review report rating of *pass* – the best possible outcome.

Peer reviews are conducted on a triennial basis and are performed on the system of quality control for the accounting and auditing practice applicable to non-SEC issuers. Our next peer review will be due on January 31, 2021.

A peer review is conducted by qualified CPA inspectors from an outside CPA firm. These peer reviewers select engagements that are representative of the reviewed firm's non-SEC practice. Their selection considers the various industries served by the firm, the partners serving those industries and must include all levels of attest service – audits, reviews, compilations, agreed-upon procedures engagements, SOC 1 and SOC 2 engagements, and other attestation services.

In addition to the numerous engagement files reviewed in detail, the peer reviewers inspect other areas of our non-SEC practice including client acceptance and retention, independence, integrity and objectivity, licensing and professional membership, and our staff and partner resources related to recruiting, hiring, assignments, education and training, and continuing professional education.

We are proud of our record of commitment to quality and pledge to continue in our dedication to the highest level of service.

UHY LLP



UHY LLP is a licensed independent CPA firm that performs attest services in an alternative practice structure with UHY Advisors, Inc. and its subsidiary entities. UHY Advisors, Inc. provides tax and business consulting services through wholly owned subsidiary entities that operate under the name of "UHY Advisors." UHY Advisors, Inc. and its subsidiary entities are not licensed CPA firms. UHY LLP and UHY Advisors, Inc. are U.S. members of Urbach Hacker Young International Limited, a UK company, and form part of the international UHY network of legally independent accounting and consulting firms. "UHY" is the brand name for the UHY international network. Any services described herein are provided by UHY LLP and/or UHY Advisors (as the case may be) and not by UHY or any other member firm of UHY. Neither UHY nor any member of UHY has any liability for services provided by other members.



Peer Review Program

Administered by the National Peer Review Committee

American Institute of CPAs
220 Leigh Farm Road
Durham, NC 27707-8110

May 30, 2018

Cynthia Scheuer
UHY LLP
66 S Pearl St Ste 401
Albany 12207-1516

Dear Cynthia Scheuer:

It is my pleasure to notify you that on May 22, 2018, the National Peer Review Committee accepted the report on the most recent System Review of your firm. The due date for your next review is January 31, 2021. This is the date by which all review documents should be completed and submitted to the administering entity. If your due date falls between January and April, you can arrange to have your review a few months earlier to avoid having a review during tax season.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Thank you for your cooperation and support of the profession's practice-monitoring programs.

Sincerely,

Michael Fawley
Chair - National PRC
nprc@aicpa.org 919-402-4502
National Peer Review Committee

CC: Candace Wright, Paul Rohan

Firm Number: 900003882951

Review Number: 553233



8550 United Plaza Blvd., Ste. 1001 - Baton Rouge, LA 70809
225-922-4600 Phone - 225-922-4611 Fax - pncpa.com

A Professional Accounting Corporation

Report on the Firm's System of Quality Control

To the Partners of UHY LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of UHY LLP (the firm) applicable to engagements not subject to PCAOB inspection in effect for the year ended July 31, 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. 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, audits 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 UHY LLP applicable to engagements not subject to PCAOB inspection in effect for the year ended July 31, 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*. UHY LLP has received a peer review rating of *pass*.

Postlethwaite & Netterville

Baton Rouge, Louisiana
January 31, 2018

APPENDIX 2: TEAM PROFILES

*The next level
of service*

JACK REAGAN



Jack Reagan is a Partner with over 30 years of experience in the audit and evaluation of federal, state and local government and not-for-profit financial statements, internal controls, and accounting and financial management systems and operations. He has overseen numerous projects demonstrating his extensive knowledge of accounting, financial management, auditing and budget to include developing and revising operating policies and procedures for federal and state and local government agencies and designing or evaluating financial reporting internal controls.

In addition, he worked closely with District of Columbia financial management to improve internal control over financial reporting to affect the "sunset" of the Financial Control Board appointed by the US Congress to oversee the District's financial condition. This demonstrates his ability to manage successfully large clients with troubled control environments. Jack was a member of KPMG's Department of Professional Practice for 2 years where he was the firm's primary technical resource for state and local government accounting and auditing issues and has remained a sought after speaker around the country on a variety of accounting and grants management topics affecting federal, state and local governments and not-for-profit entities.

REPRESENTATIVE EXPERIENCE:

- **Montgomery County, Maryland** - Engagement partner accountable for the financial statement audit and the single audit of the County and all of its component units. Responsible for all aspects of audit planning, internal control testing, substantive testing and reporting audit results. Held regular, recurring status meetings to apprise management of audit progress and potential findings.
- **Anne Arundel County, Maryland** - Engagement partner accountable for the financial statement audit and the single audit of the County and all of its component units. Responsible for all aspects of audit planning, internal control testing, substantive testing and reporting audit results. Held regular, recurring status meetings to apprise management of audit progress and potential findings.
- **Fairfax County, Virginia** - Engagement partner accountable for the financial statement audit and the single audit of the County and all of its component units. Responsible for all aspects of audit planning, internal control testing, substantive testing and reporting audit results. Held regular, recurring status meetings to apprise management of audit progress and potential findings.
- **Loudoun County, Virginia** - Engagement partner accountable for the financial statement audit and the single audit of the County and all of its component units. Responsible for all aspects of audit planning, internal control testing, substantive testing and reporting audit results. Held regular, recurring status meetings to apprise management of audit progress and potential findings.
- **City of Alexandria, Virginia** - Engagement partner accountable for the financial statement audit and the single audit of the City and all of its component units. Responsible for all aspects of audit planning, internal control testing, substantive testing and reporting audit results. Held regular, recurring status meetings to apprise management of audit progress and potential findings.

**PARTNER, UHY LLP
MANAGING DIRECTOR,
UHY ADVISORS MID-ATLANTIC MD, INC.**

Email: jreagan@uhy-us.com
Direct: 410 423 4832

INDUSTRY EXPERTISE:

- State and Local Government
- Federal Government
- Not-for-Profit

ACTIVE & PRIOR PROFESSIONAL MEMBERSHIPS:

- American Institute of Certified Public Accountants (AICPA)
- Association of Government Accountants (AGA)
- Association of School Business Officials (ASBO)
- Government Finance Officers Association (GFOA)
- Virginia Society of Certified Public Accountants
- Maryland Association of Certified Public Accountants

ACTIVE & PRIOR CIVIC MEMBERSHIPS:

- University of Richmond Accounting Department Advisory Board

JACK REAGAN (CONT'D)

- **Henrico County, Virginia** - Engagement quality assurance partner responsible for an independent review of all work performed on the audit prior to the release of the financial statement and single audit reports. Involved in approving the overall audit plan, reviewing findings identified during the audit, and reviewing all financial statement and single audit opinions and other deliverables to management prior to issuance.
- **Chesterfield County, Virginia** - Engagement quality assurance partner responsible for an independent review of all work performed on the audit prior to the release of the financial statement and single audit reports. Involved in approving the overall audit plan, reviewing findings identified during the audit, and reviewing all financial statement and single audit opinions and other deliverables to management prior to issuance.
- **City of Petersburg, Virginia** - Engagement partner accountable for the financial statement audit and the single audit of the County and all of its component units. Responsible for all aspects of audit planning, internal control testing, substantive testing and reporting audit results. Held regular, recurring status meetings to apprise management of audit progress and potential findings.
- **Roanoke County, Virginia** - Engagement quality assurance partner responsible for an independent review of all work performed on the audit prior to the release of the financial statement and single audit reports. Involved in approving the overall audit plan, reviewing findings identified during the audit, and reviewing all financial statement and single audit opinions and other deliverables to management prior to issuance.
- **City of Roanoke, Virginia** - Engagement quality assurance partner responsible for an independent review of all work performed on the audit prior to the release of the financial statement and single audit reports. Involved in approving the overall audit plan, reviewing findings identified during the audit, and reviewing all financial statement and single audit opinions and other deliverables to management prior to issuance.
- **City of Newport News, Virginia** - Engagement quality assurance partner responsible for an independent review of all work performed on the audit prior to the release of the financial statement and single audit reports. Involved in approving the overall audit plan, reviewing findings identified during the audit, and reviewing all financial statement and single audit opinions and other deliverables to management prior to issuance.
- **City of Norfolk, Virginia** - Engagement quality assurance partner responsible for an independent review of all work performed on the audit prior to the release of the financial statement and single audit reports. Involved in approving the overall audit plan, reviewing findings identified during the audit, and reviewing all financial statement and single audit opinions and other deliverables to management prior to issuance.
- **Baltimore County Public Schools** - Engagement partner responsible for a consulting engagement evaluating the procurement to payment process for this almost \$2.0B school system. His team specifically evaluated certain contracts awarded from FY 2012 to 2017. His team also evaluated travel and conference expenses incurred by senior BCPS staff and Board of Education members. The final report will be delivered to the Board of Education in a public forum.
- **District of Columbia** - Engagement partner accountable for the financial statement audit and the single audit of the District and all of its component units. Responsible for all aspects of audit planning, internal control testing, substantive testing and reporting audit results. Held regular, recurring status meetings to apprise management of audit progress and potential findings.

BACKGROUND:

- Licensed CPA in the states of Maryland and Virginia
- Certified Internal Controls Auditor
- BSBA in Accounting, University of Richmond, May 1989

THOUGHT LEADERSHIP:

- American Institute of Certified Public Accountants
- Association of Government Accountants presenter
- National Association of Black Accountants presenter
- Virginia Society of Certified Public Accountants presenter
- Virginia Government Finance Officers Association presenter
- Maryland Society of Certified Public Accountants presenter
- Editorial writer - The Hill Newspaper

BACARY BADIAGA



Bacary is a manager and a member of the Audit and Assurance Department, and has over five years of experience in the audit of state and local governments and not-for-profits. He supervised several large state and local government audits, including the District of Columbia and the Maryland Department of Transportation. In addition, he helped several government clients improve their financial reporting and internal controls.

PROFESSIONAL EXPERIENCE:

- Planning and performing audit and attest services for state and local governments and government pension plans
- Performing financial and compliance audits
- Providing government financial reporting
- Conducting compliance testing for Single Audits under OMB Uniform Grant Guidance
- Performing internal controls evaluation
- Assisting with drafting Comprehensive Annual Financial Report (CAFR)
- Served as the engagement manager for several government audits:
 - District of Columbia
 - Maryland Department of Transportation
 - Maryland Food Center Authority
 - Calvert County
 - Charles County
 - Lancaster County
 - Washington County
 - Frederick County
 - City of Hagerstown
 - Saint Mary's County Public Schools

BACKGROUND:

- Licensed CPA in the state of Maryland
- Bachelor of Science in Accounting, University of Baltimore

MANAGER, UHY LLP

Email: bbadiaga@uhy-us.com
Direct: 410-423-3443

INDUSTRY EXPERTISE:

- State and Local Government
- Not-for-profit
- Single Audits

ACTIVE & PRIOR PROFESSIONAL MEMBERSHIPS:

- American Institute of Certified Public Accountants
- Maryland Association of Certified Public Accountants

OMAR BAHAMMOU



Omar is a senior accountant and a member of the Audit and Assurance Department. He provides attestation and assurance services to companies in a variety of industries, specializing in not-for-profits. His previous experience includes working in the audit department of International Relief and Development Headquarter in Arlington, Va.

PROFESSIONAL EXPERIENCE:

- Provides audit and attest services under generally accepted auditing standards with a focus in efficiency and precision.
- Performs analytical procedures during audit and review engagements
- Ensures compliance with established internal control procedures by examining records, reports, operating practices, and documentation.
- Served as an auditor at the International Relief and Development HQ, conducting evaluations of the organization to assess risk and compliance with regulations, completing audit workpapers by documenting audit test and findings, and preparing audit and control reports after analyzing and summarizing operation information and trends from HQ and field offices.

SENIOR ACCOUNTANT, UHY LLP

Email: obahammou@uhy-us.com
Direct: 410 423 3447

INDUSTRY EXPERTISE:

- Not-For-Profit
- For-Profit
- Membership Associations
- Government Contractors
- Distribution

ACTIVE & PRIOR PROFESSIONAL MEMBERSHIPS:

- American Institute of Certified Public Accountants (AICPA)

ACTIVE & PRIOR CIVIC MEMBERSHIPS:

- Reston Association

BACKGROUND:

- Master of Science in Accounting, Stratford University
- Master of Accounting, Auditing and Management Control, University of South Brittany, France

TIFFANY MURPHY



Tiffany is a staff accountant with UHY LLP. She is a member of the Accounting and Audit Department working with. She provides attestation services to Common Interest Realty associations, not-for-profit organizations, and government companies.

PROFESSIONAL EXPERIENCE:

- Creates processes to find and eliminate financial waste and fraud
- Prepare bank reconciliations, balance sheets profit and loss statement, and related financial reports
- Prepare 1120H, and 1040 tax returns
- Audits Common Interest Realty Associations- homeowners associations, condominiums, and school systems.
- Financial audits, and compilations

BACKGROUND:

- Masters of Accounting and Financial Management Candidate, University of Maryland University College
- Bachelor of Science, Accounting, University of Maryland University College
- Associate of Science, Montgomery College
- Public Accounting for 18+ years

THOUGHT LEADERSHIP:

- Recruiting
- Contribute to UHY Internal newsletter

STAFF ACCOUNTANT, UHY LLP

Email: tmurphy@uhy-us.com
Direct: 410-423-4843

INDUSTRY EXPERTISE:

- Common Interest Realty Associations

ACTIVE & PRIOR PROFESSIONAL MEMBERSHIPS:

- National Association for Black Accountants
- American Institute of Certified Public Accountants
- Maryland Association of Certified Public Accountants

ACTIVE & PRIOR CIVIC MEMBERSHIPS:

- MD Notary



UHY LLP

8601 Robert Fulton Drive, Suite 210
Columbia, MD 21046
Phone 410 423 4800
Fax 410 381 2524

UHY LLP is a licensed Independent CPA firm that performs attest services in an alternative practice structure with UHY Advisors, Inc. and its subsidiary entities. UHY Advisors, Inc. and UHY LLP are U.S. members of Urbach Hacker Young International Limited, a UK company, and form part of the international UHY network of legally independent accounting and consulting firms.

UHY Advisors, Inc. provides tax and business consulting services through wholly owned subsidiary entities that operate under the name of "UHY Advisors." UHY Advisors, Inc. and its subsidiary entities are not licensed CPA firms.

"UHY" is the brand name for the UHY International network. Any services described herein are provided by UHY Advisors and/or UHY LLP (as the case may be) and not by UHY or any other member firm of UHY. Neither UHY nor any member of UHY has any liability for services provided by other members.

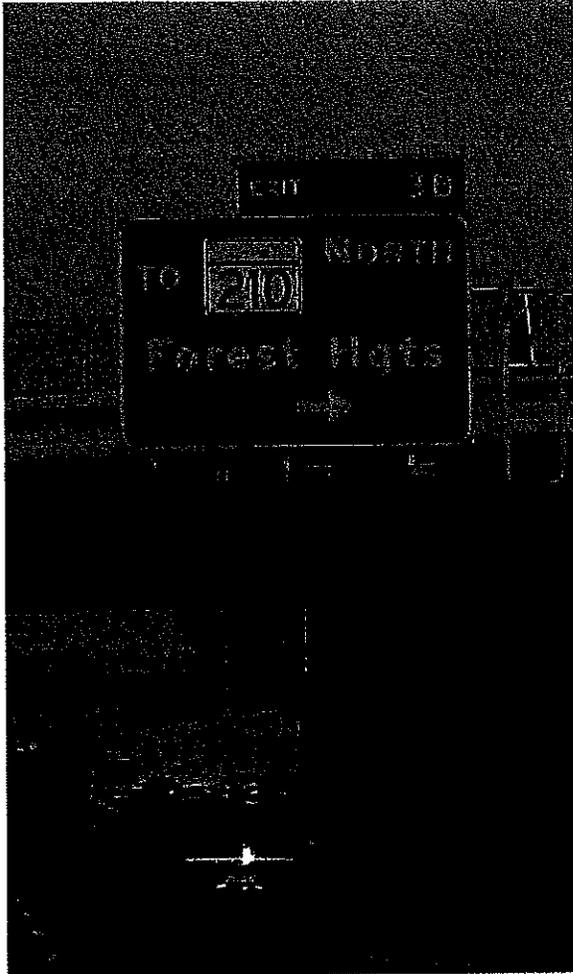
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**PROPOSAL TO PROVIDE PROFESSIONAL
AUDITING SERVICES
TO THE
TOWN OF FOREST HEIGHTS
FOR FISCAL YEARS 2020, 2021, & 2022**



SUBMITTED BY: FRANCIS J. DISALVO CERTIFIED PUBLIC ACCOUNTANT

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FRANCIS J. DISALVO CERTIFIED PUBLIC ACCOUNTANT

6107 Elmendorf Drive • Suitland, Maryland 20746 • Voice (301)568-1100 • Facsimile (301)736-6290

Sent Via Electronic Mail: irobinson@forestheightsmd.gov

September 6, 2020

Mr. Linwood Robinson, Town Administrator
Town of Forest Heights
5508 Arapahoe Drive
Forest Heights, Maryland 20745

Re: RFP AUDIT 2020

Dear Mr. Robinson:

Thank you for this opportunity to respond to your request for a proposal to provide professional auditing services to the Town of Forest Heights for the year ended June 30, 2020, with the option to extend for two additional years.

UNDERSTANDING OF WORK TO BE PERFORMED

If selected, the objective of my audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. My audit will be conducted in accordance with auditing standards generally accepted in the United States of America 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 the accounting records of Town of Forest Heights and other procedures I consider necessary to enable me to express such opinions. I will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*.

As part of my engagement, I will also provide the following non-audit services:

- Preparation of the financial statements, required supplementary information including note disclosures, GASB Statement No. 34 conversion entries, and assistance with management discussion and analysis (MD&A).
- Propose and prepare year-end adjusting entries.
- Preparation of the property tax roll reconciliation.
- Preparation of the fixed asset and depreciation schedule.
- Prepare the annual Uniform Financial Report (UFR).

Mr. Linwood Robinson, Town Administrator
Town of Forest Heights
September 6, 2020

COMMITMENT TO PERFORM WORK WITHIN THE PERIOD

Barring unforeseen delays, the audit and UFR will be completed within five weeks of commencement, but no later than on or before December 31, 2020.

FIRM QUALIFICATIONS – BEST QUALIFIED

I have been the auditor for the Town of Forest Heights since fiscal year 2005. During that time, my audit reports have been found to meet the standards of the Department of Legislative Services.

I have worked with six mayoral administrations and three treasurers. I have testified on behalf of the town in criminal and civil cases.

During my tenure as auditor, I have developed a depth of knowledge and experience with the Town's financial systems and affairs and its plans and goals for the future. This knowledge and experience enhance the quality of my audits which I believe provides the government and citizens of Forest Heights a more reliable result.

I believe that the quality of my audits and my knowledge and experience with the Town of Forest Heights makes me the best qualified firm to be the Town's auditor.

FIRM & IRREVOCABLE OFFER

As set forth in the Dollar Cost Bid Section, my all-inclusive fee is \$14,000 with a 3% increase in each of the option years. This fee quote is firm and irrevocable.

Very truly yours,



Francis J. DiSalvo, CPA

Primary Contact: Francis J. DiSalvo

FRANCIS J. DISALVO CERTIFIED PUBLIC ACCOUNTANT

6107 Elmendorf Drive • Suitland, Maryland 20746 • Voice (301)568-1100 • Facsimile (888)958-1172

MANDATORY ELEMENTS

1. INDEPENDENCE

Yellow Book independence standards for clarification is a statement (par. 3.88) that preparation of a client's financial statements in their entirety (from a client's trial balance or underlying accounting records) creates significant threats to independence requiring the application of safeguards that reduce the threat(s) to an acceptable level. "Acceptable level," means that a reasonable and informed third party would conclude that the firm could perform the audit without compromising its professional judgement. Auditors who are able to do so are required to document the evaluation, including the safeguards applied.

The Town Treasurer is directly involved in the creation of all components of the financial statements, approval of adjustments, and editing of the notes and charts. The Treasurer's engagement in these processes reduces any threat to my independence to an acceptable level. I am independent with respect to the Town of Forest Heights

LICENSE



LICENSE * REGISTRATION * CERTIFICATION * PERMIT

STATE OF MARYLAND

DEPARTMENT OF LABOR, LICENSING AND REGULATION

Lawrence J. Hogan, Jr.
Governor
Boyd K. Rutherford
Lt. Governor
James R. Hasekewald
Acting Secretary

MARYLAND STATE BOARD OF PUBLIC ACCOUNTANCY
CERTIFIES THAT

FRANCIS JAMES DISALVO



IS AN AUTHORIZED:

01 - ACTIVE C.P.A.

LIC/REG/CERT

26222

EXPIRATION

11-15-2021

EFFECTIVE

N/A

CONTROL NO

1632-5425847



Signature of Bearer



Acting Secretary DLLR

WHERE REQUIRED BY LAW THIS MUST BE CONSPICUOUSLY DISPLAYED IN OFFICE TO WHICH IT APPLIES

2. A copy of the firm's most recent peer review and acceptance letter follows.

Young, Oakes, Brown & Company, P.C.

Certified Public Accountants

Report on the Firm's System of Quality Control

February 16, 2018

To the Owner of
Francis J. DiSalvo, CPA
6107 Elmendorf Drive
Suitland, MD 20746

Peer Review Committee of the Maryland
Association of Certified Public Accountants
901 Dulaney Valley Road, Suite 800
Towson, Maryland 21204

We have reviewed the system of quality control for the accounting and auditing practice of Francis J. DiSalvo, CPA (the firm) in effect for the year ended June 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. 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*.

As a part of our peer review, we considered reviews by regulatory entities as communicated by 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 Francis J. DiSalvo, CPA in effect for the year ended June 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*. Francis J. DiSalvo, CPA has received a peer review rating of *pass*.

Young, Becker, Brown & Company, P.C.



AICPA Peer Review Program & MACPA Peer Review Program
ADMINISTERED BY THE MARYLAND ASSOCIATION OF CPAS



April 26, 2018

Francis DiSalvo
Francis J. DiSalvo
6107 Elmendorf Dr
Sultland, MD 20746-3799

Dear Francis DiSalvo:

It is my pleasure to notify you that on April 26, 2018, the Maryland Peer Review Committee accepted the report on the most recent System Review of your firm. The due date for your next review is December 31, 2020. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Thank you for your cooperation and support of the profession's practice-monitoring programs.



AICPA Peer Review Program & MACPA Peer Review Program
ADMINISTERED BY THE MARYLAND ASSOCIATION OF CPAs



MACPA is the administering entity (AE) for your firm's peer review. We may be reached via peerreview@macpa.org or call 443-632-2333. For additional information on Maryland's peer review requirement please refer to the Maryland Board of Public Accountancy.

Sincerely,

Anthony A. Cuozzo, Jr., CPA
Chair, MACPA Peer Review Committee
peerreview@macpa.org 443-632-2330
Maryland Association of CPAs

CC: Daniel Bradley

Firm Number: 900010143424

Review Number: 553591

FRANCIS J. DISALVO CERTIFIED PUBLIC ACCOUNTANT

6107 Elmendorf Drive • Suitland, Maryland 20746 • Voice (301)568-1100 • Facsimile (888)952-1178

MANDATORY ELEMENTS (CONTINUED)

3. CONTINUING EDUCATION

Yellow Book Continuing Professional Education (CPE) Auditors performing work under GAGAS need to complete 80 hours of CPE every two years with a minimum of 20 hours each year.

I complete 40 hours each year in government accounting and auditing continuing education.

4. EXPERIENCE IN PERFORMING GOVERNMENT AUDITS

I have been performing governmental audits for almost 20 years.

- Municipal audits (Town of Forest Heights) since FY2005.
- HUD lender audits since 2001.
- Maryland DDA provider audits since 2007.

EXPERTISE AND EXPERIENCE

1. FIRM HISTORY AND SIZE

I founded my firm in 1997. The firm is comprised of the following staff:

- Francis J. DiSalvo, CPA*
- Dillon T. DiSalvo, Enrolled Agent
- Renee Walter, Enrolled Agent
- Lillie Thomas, Accountant
- Patricia Higgins, Accountant/Auditor*
- Ronald Reace, Office Manager

**Governmental Staff*

The firm provides the following services:

- Audits, Reviews, and Compilation engagements for commercial businesses and non-profit organizations.
- Audits, Reviews, and Compilation engagements to entities subject to Yellow Book (Government Accounting and Auditing Standards – GAGAS).
- Bookkeeping and payroll services to businesses.
- Business, Individual, and Non-profit income tax preparation services.

2. GOVERNMENTAL CLIENT REFERENCES

- Town of Forest Heights
Contact: The Honorable Habeeb-Ullah Muhammad, Mayor
- Pike Creek Mortgage Services, Inc., Newark, DE (HUD Direct Endorsement Lender)
Contact: William Kane, CPA; Phone (302)731-5200
- Dreamcatchers Community Improvement, Inc. (Maryland DDA Provider)
Contact: James Simay, Chief Financial Officer; (301)499-3399

3. RESUME FOR FRANCIS J. DISALVO



FRANCIS J. DISALVO

PROFESSIONAL EXPERIENCE

1997-Present Francis J. DiSalvo, CPA Suitland, MD
Certified Public Accountant

- Audit partner for municipal governments and mortgage companies seeking approval and re-certification under programs administered by the Department of Housing and Urban Development.
- Audit, review, and compilation services for businesses and non-profit organizations.
- Tax and financial reporting services for businesses, individuals, and estates.
- Management of condominium realty associations.

1970-1997 Productions Unlimited, Inc. Suitland, MD
CEO, Employment Counselor, and Real Estate Broker

- Provided entertainment and consulting services to the hospitality industry.
- Engaged in commercial and industrial real estate sales and leasing.

1983-2000 Sound Enterprises, Inc. Suitland, MD
Chief Operating Officer

- Negotiated for a construction permit to build FM radio station 92.5 allocated to Pocomoke City, MD serving the greater Salisbury, MD area.
- Negotiated for broadcast tower site. Successfully represented the company before planning and zoning boards for special zoning exceptions for the tower.
- Negotiated the sale of the developed package to a regional broadcaster that resulted in a 400% gain on investment.

FRANCIS J. DISALVO

EDUCATION

Surrattsville High School	Clinton, MD
Catholic University of America <i>Bachelor of Arts</i>	Washington, DC
Prince George's County Community College <i>Post-graduate classes for Real Estate Broker Exam.</i>	Largo, MD
Prince George's County Community College <i>Post-graduate classes for Certified Public Accountant Exam</i>	Largo, MD

PROFESSIONAL MEMBERSHIPS

American Institute of Certified Public Accountants
Maryland Association of Certified Public Accountants
Affordable Housing Association of Certified Public Accountants

COMMUNITY SERVICES

Secretary & Member of the Board of Directors
Prince George's County Community Federal Credit Union

Former Member
Prince George's County Board of Election Supervisors

Former Director & Chairman of the Finance Committee
Southern Maryland Vocational Industries, Inc.

Former Committee Member
Boy Scouts of America Troop 1237

Former Committee Chairman
Boy Scouts of America Cub Scout Pack 239

Former Director & Program Chairman
Prince George's County Board of Trade

Former Director, Legislative Committee Chairman, & Member
Prince George's Association of Realtors

Former Secretary & Member
Prince George's County Public Relations Association

9011 ROSARYVILLE ROAD · UPPER MARLBORO, MARYLAND 20772
VOICE (301)568-1100 · FACSIMILE (301)736-6290 · E-MAIL: FDISALVO@AOL.COM

FRANCIS J. DISALVO CERTIFIED PUBLIC ACCOUNTANT

6107 Elmendorf Drive • Suitland, Maryland 20746 • Voice (301)568-1100 • Facsimile (888)952-1178

EXPERTISE AND EXPERIENCE (CONTINUED)

4. ADEQUATE CONTINUING EDUCATION

Yellow Book Continuing Professional Education (CPE) Auditors performing work under GAGAS need to complete 80 hours of CPE every two years with a minimum of 20 hours each year.

I complete 40 hours each year in government accounting and auditing continuing education.

5. RECENT PEER REVIEW AND STATUS IN THE PEER REVIEW PROGRAM

My most recent peer review report and acceptance letter has been provided earlier in this proposal. I am continuing in the peer review program administered by the AICPA.

6. REGULATORY ACTION

There has been no regulatory action taken against the firm.

7. SINGLE AUDITS AND COMPLIANCE WITH LAWS AND REGULATIONS

Test of Compliance with Laws and Regulations: I have been exposed to compliance regulations for the Town of Forest Heights regarding account collateralization, speed camera revenues, matching grants, and grant fulfillment. In the mortgage industry governed by HUD and Fannie Mae regulations, there are numerous regulations concerning minimum net worth, minimum liquidity, and consumer protections.

Single Audits: Although I am trained to perform Single Audits, I have not had an engagement where that service was required. Forest Heights has not received sufficient federal funding to require a single audit.

8. ADDITIONAL SERVICES

I am available to consult to the Town concerning the including the following, but not limited to:

- General accounting questions.
- Budget Planning.
- Grant compliance.
- Capital Projects.
- Financial Software Packages, internal financial statement presentation and Implementation.
- Computer networks, security, and remote access.

FRANCIS J. DISALVO CERTIFIED PUBLIC ACCOUNTANT

6107 Elmendorf Drive • Suitland, Maryland 20746 • Voice (301)568-1100 • Facsimile (888)952-1178

TECHNICAL APPROACH

1. SCOPE OF REQUIRED SERVICES TO BE PROVIDED

The objective of my audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. My audit will be conducted in accordance with auditing standards generally accepted in the United States of America 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 the accounting records of Town of Forest Heights and other procedures I consider necessary to enable me to express such opinions. I will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*.

As part of my engagement, I will also provide the following non-audit services:

- Preparation of the financial statements, required supplementary information including note disclosures, GASB Statement No. 34 conversion entries, and assistance with management discussion and analysis (MD&A).
- Propose and prepare year-end adjusting entries.
- Preparation of the property tax roll reconciliation.
- Preparation of the fixed asset and depreciation schedule.
- Prepare the annual Uniform Financial Report (UFR).

DISCUSSION OF TECHNIQUES AND PROCEDURES TO BE USED FOR BOTH FINANCIAL AND COMPLIANCE ASPECTS OF THE ENGAGEMENT.

Government programs and financial transactions are subject to provisions of many laws, regulations, contracts, and grant agreements. At the same time, these provisions' significance within the context of the audit objectives varies widely, depending on the objectives of the audit. I use the governmental audit programs and aids developed by "PPC Guides" to preparing audit plans and financial statements. PPC, published by Thomson Reuters, is consider the "gold standard" in auditing plans and programs.

2. FAMILIARITY WITH THE TOWN'S OPERATIONS.

As a result of my tenure as the Town's auditor, I am familiar with the governmental functions of the Town of Forest Heights.

FRANCIS J. DISALVO CERTIFIED PUBLIC ACCOUNTANT

6107 Elmendorf Drive • Suitland, Maryland 20746 • Voice (301)568-1100 • Facsimile (888)952-1178

TECHNICAL APPROACH - CONTINUED

3. APPROACH TO LEVEL OF CLIENT STAFF SUPPORT NECESSARY TO COMPLETE THE AUDIT.

The primary Town staff needed to complete the audit fieldwork is the Town Treasurer and to a much lesser extent, the Town Clerk. There will be discussions with town administrator, department heads, and elected officials to gain a more thorough understanding of the Town's financial processes.

4. SCHEDULE OF FIRM'S PLANNING THE AUDIT, TIMING OF FIELD WORK, AND SAMPLING TECHNIQUES.

Below is a general planning schedule for the FY 2020 financial statement audit. Assuming no unforeseen delays occur, the process from beginning to end should take five weeks. For example, if the audit engagement starts on Monday, October 5th, it should be completed by Friday, November 6th. If delays occur, there is a buffer of weeks taking into account the Thanksgiving holiday.

FY2020 Audit Plan Time Line

	Phase 1 Planning	Phase 2 Field work	Phase 3 Field work	Phase 4 Review and Completion
Activities	List of activities	List of activities	List of activities	List of activities
	Request copies of town council minutes, new grants, debt instruments and contracts for capital improvements.	Reconciliation of fixed asset acquisitions and disposals.	Test year-end accuracy of bank account balances reflected in the financial statements.	Provide updated trial balance with Treasurer approved adjustments.
	Send required correspondence to the Town Attorney, Town Clerk, State and County Agencies, cable franchisees, banking and bonding institutions.	Compare prior period financial results to the current period results. Resolve material changes through inquiry.	Compare and reconcile (i) tax reports from state and county governments and (ii) bond and capital lease liabilities with the financial statements.	Treasurer to provide "highlights" and other remarks needed for the Management Discussion and Analysis of the financial statement.
	Request copies of town council minutes, new grants, debt instruments and contracts for capital improvements.	Compare current period financial results to the approved final budget. Resolve material differences through inquiry.	Confirm accuracy of financial statement accruals with supporting documentation.	Draft financial statement & Internal control finding reports provided to the Treasurer for review and approval.
	Interview and observe Town Clerk regarding payroll and payroll.	Test compliance with grant terms, debt instruments, and capital improvement contracts.	Test year-end accuracy of bank account balances reflected in the financial statements.	Provide updated audit and internal control reports to the Treasurer for review and approval.
Letters to government officials & key employees offering in person interviews during week 2 regarding issues of importance including, but not limited to, fraud and related party transactions.	Trace walk through (individual transactions) for major financial areas.	Prepare proposed financial statement adjustments to the Treasurer for review and approval.	Preparation of UFR report subject to review and approval of the Treasurer.	
	Test outsourced payroll reports to recordation and accrual entries in the financial statements. Reconcile retirement plan payments.	Provide proposed financial statement adjustments to the Treasurer for review and approval.	Exit conference with Mayor, Treasurer, and Town Administrator to discuss audit and internal control reports followed by auditor's report to the Town Council.	

FRANCIS J. DISALVO CERTIFIED PUBLIC ACCOUNTANT

6107 Elmendorf Drive • Suitland, Maryland 20746 • Voice (301)568-1100 • Facsimile (888)952-1178

TECHNICAL APPROACH - CONTINUED

5. KEY PERSONNEL

I, Francis J. DiSalvo, will be the Town's audit partner for this engagement. All work will be done by me personally. My program of quality control review of your audit before issuance has been in place for years.

6. SCOPE OF WORK, DATE, ENGAGEMENT PARTNERS, TOTAL HOURS, NAME AND TELEPHONE NUMBER OF PRINCIPAL CLIENT CONTACT.

- a. *Scope of Work:* The scope of my audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. My audit will be conducted in accordance with auditing standards generally accepted in the United States of America 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 the accounting records of Town of Forest Heights and other procedures I consider necessary to enable me to express such opinions. I will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*.

As part of my engagement, I will also provide the following non-audit services:

- Preparation of the financial statements, required supplementary information including note disclosures, GASB Statement No. 34 conversion entries, and assistance with management discussion and analysis (MD&A).
 - Propose and prepare year-end adjusting entries.
 - Preparation of the property tax roll reconciliation.
 - Preparation of the fixed asset and depreciation schedule.
 - Prepare the annual Uniform Financial Report (UFR).
- b. *Date:* The audit can begin on or after September 21, 2020.
- c. *Engagement Partner:* Francis J. DiSalvo.
- d. *Hours:* 100 hours estimated.
- e. *Principal Client Contact:* Francis J. DiSalvo
- f. *Telephone numbers:* Office (301)568-1100; Mobile (240)460-6229.

CONTACT INFORMATION

Francis J. DiSalvo, CPA
Address: 6107 Elmendorf Drive • Suitland, MD 20746
Voice: Office: (301)568-1100 • Mobile: (240)460-6229
Facsimile: (888)958-1172

FRANCIS J. DISALVO CERTIFIED PUBLIC ACCOUNTANT

6107 Elmendorf Drive • Suitland, Maryland 20746 • Voice (301)568-1100 • Facsimile (888)952-1178

SCHEDULE FOR PROVISION OF WORK

I am available to begin the audit on or after September 21, 2020. I expect the audit to take five weeks from the start date – see "Technical Section" ¶4 for audit plan.

PROOF OF PROFESSIONAL LIABILITY INSURANCE

I have been insured by Affinity Insurance Services, Inc. presently and through all the years of my engagement with the Town. Please see below my current certificate. I will provide a COI naming the Town as additional insured if awarded the engagement.

ACORD		CERTIFICATE OF LIABILITY INSURANCE		DATE (MM/DD/YYYY) 03/04/2020	
<p>THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.</p> <p>IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).</p>					
PRODUCER Affinity Insurance Services, Inc. 1100 Virginia Drive Suite #260 Fort Washington, PA 10034		AGENT Candace A. Coach License No. Exp. 03/04/2024 Address: sandace.a.coach@affinity.com sandace.a.coach@affinity.com SHURENKA AFFORDABLE COVERAGE		HAZ. INFO RISK # 20443	
INSURED Mr. Francis J. DiSalvo Francis J. DiSalvo Certified Public Accountant 6107 Elmendorf Dr. Suitland, MD 20746-3707		INSURER(S) NUMBER 1: Continental Casualty Company			
COVERAGES		CERTIFICATE NUMBER:		REVISION NUMBER:	
<p>THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.</p>					
TYPE OF INSURANCE	INSURANCE CLASS CODE	POLICY NUMBER	POLICY EFF. DATE (MM/DD/YYYY)	POLICY EXPI. DATE (MM/DD/YYYY)	LIMITS
COMMERCIAL GENERAL LIABILITY CLAIMS MADE <input type="checkbox"/> OCCUR <input type="checkbox"/> OCCUR AGGREGATE LIMIT APPLIES PER POLICY: \$500,000 / \$1,000,000 ETHICAL <input type="checkbox"/>					EACH OCCURRENCE DAMAGE TO RENTED PREMISES (As per policy) \$ MED EXP. (As per policy) \$ PERSONAL & ADV. BENEFIT \$ GENERAL AGGREGATE \$ PRODUCTS & COMPOUND AGG \$
AUTOMOBILE LIABILITY ANY AUTO <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/>					DRIVER BODILY INJURY (As per policy) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (As per policy) \$
UMBRELLA LIAB EXCESS LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/>					EACH OCCURRENCE \$ AGGREGATE \$
WORKERS COMPENSATION AND EMPLOYERS LIABILITY ANY PROPRIETARY (GENERAL/OTHER) Y/N <input type="checkbox"/> N/A OFFICE EMPLOYER EXCLUDED? (Indicate Y or N) <input type="checkbox"/> IF YES describe limit: <input type="checkbox"/> REGULATORY/SECURITIES EXEMPT <input type="checkbox"/>					(Per Statute) <input type="checkbox"/> <input type="checkbox"/> P.L. EACH ACCIDENT \$ P.L. INDEMN. - EA EMPLOYER \$ P.L. INDEMN. - POLICY LIMIT \$
Professional Liability / Errors and Omission Insurance		APL 186187162	03/08/2020	03/08/2021	Limit \$1,000,000 \$2,000,000 Deductible \$1,000
DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be included if more space is required)					
CANCELLATION					
SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.					
AUTHORIZED REPRESENTATIVE Candace A. Coach					

FRANCIS J. DISALVO CERTIFIED PUBLIC ACCOUNTANT

6107 Elmendorf Drive • Suitland, Maryland 20746 • Voice (301)568-1100 • Facsimile (888)952-1178

DOLLAR COST BID SECTION

TOTAL ALL-INCLUSIVE MAXIMUM PRICE: FY2020 \$14,000
TOTAL ALL-INCLUSIVE MAXIMUM PRICE: FY2021 \$14,420
TOTAL ALL-INCLUSIVE MAXIMUM PRICE: FY2022 \$14,853

RATES OF AUDIT PARTNER

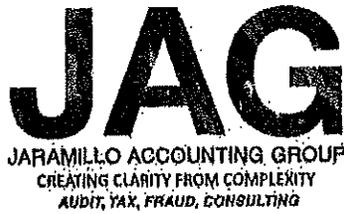
FY 2020: Francis J. DiSalvo, CPA: \$140 per hour; 100 hours anticipated.
FY 2021: Francis J. DiSalvo, CPA: \$144 per hour; 100 hours anticipated.
FY 2022: Francis J. DiSalvo, CPA: \$149 per hour; 100 hours anticipated.

ADDITIONAL SERVICES

SEE RATES OF AUDIT PARTNER ABOVE



TOWN OF FOREST HEIGHTS
MARYLAND
RFP AUDIT 2020
PROPOSAL FOR
PROFESSIONAL AUDITING SERVICE
For the Year ended
December 31, 2020 and 2019



TRANSMITTAL LETTER

Proposal for Professional Auditing Services

Mr. Linwood Robinson, Town Administrator
Town of Forest Heights
5508 Arapahoe Drive
Forest Heights, Maryland 20745
lrobinson@forestheightsmd.gov

NAME OF PROPOSING FIRM CONTACT INFORMATION

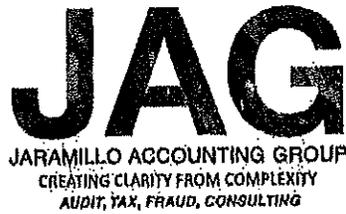
Jaramillo Accounting Group LLC (JAG)	505.323.2035 Office
4700 Lincoln Rd NE	505.342.6201 Fax
Albuquerque, NM 87109	www.JAGnm.com

PERSONS AUTHORIZED TO NEGOTIATE AND OBLIGATE OUR FIRM TO THE CONTRACT

Audrey J. Jaramillo, CPA, CFE	Managing Partner	Audrey@JAGnm.com
Scott Eliason, CPA	Audit Partner	Scott@JAGnm.com

PERSONS TO BE CONTACTED FOR CLARIFICATION

Audrey J. Jaramillo, CPA, CFE	Managing Partner	Audrey@JAGnm.com	505.459.2356
Scott Eliason, CPA	Audit Partner	Scott@JAGnm.com	505.280.5117
Brenda Butts	Office Administrator	Brenda@JAGnm.com	505.323.2035



Mr. Robinson:

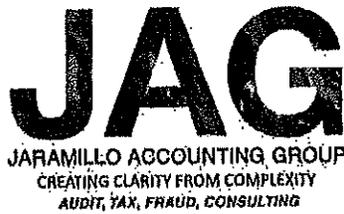
Thank you for considering Jaramillo Accounting Group LLC (JAG) to provide professional auditing services for the Town of Forest Heights, Maryland ("the Town"). JAG specializes in serving governmental entities, specifically including municipalities, and we believe we can provide valuable services to the Town. **Throughout the proposal, we will define and demonstrate why JAG is best qualified to perform this engagement for the Town. In addition to our deep government niche experience, an important factor is our independence and objectivity since we are not from Maryland.**

TEAM OPPORTUNITY

We recognize the Town's need for an experienced governmental accounting firm with extensive experience with municipalities that will be timely and efficient with the ability to audit your Town. This proposal demonstrates our firm's professional qualifications, governmental accounting expertise, and most importantly, our commitment to exceptional client service. Your team is comprised of local governmental experts with almost 100 years of collective service. We have served over 200 governments, of all sizes and complexity. We provide guidance and implementation for new GASB reporting standards as they arise. Not only do we serve clients well, we serve the profession, leading at the local, state, and federal levels in organizations such as the AICPA, Association of Governmental Accountants, Association of School Business Officials, Government Finance Officers Association, Association Certified Fraud Examiners, School Boards Associations, and Municipal Leagues.

JAG offers an exceptional team to perform your services.

- ✓ Your proposed **Engagement Partner and On-Site Manager, Scott Eliason, CPA**, brings to you over 25 years of specialization in audits and consulting with governments. Scott has also served many municipalities, including: Farmington, Albuquerque, Gallup, Las Vegas, Santa Fe, Sunland Park, and Truth or Consequences. **Scott has audited a multitude of municipalities which are comparable to the Town's audit requirements, so you can be assured your audit will be performed and reviewed by a Partner with this specific knowledge.**
- ✓ Your proposed **Quality Review Partner, Audrey J. Jaramillo, CPA, CFE**, brings to you over 22 years of specialization in governments, creating effective project management tools, utilizing a **high level of communication, and working with the governmental teams in a friendly, cooperative manner.** During 6 of her 22 years in public accounting, Audrey performed Quality Control reviews on many audits. She has recently trained at GFOA on GASB Standards updates, at AGA on Advanced Financials, Budgets, and Awards, at AICPA Young CPAs Training (nationally), NMSBA on Understanding the Audit Process, at AGA on Knowing Your Financial Statements Front to Back, at OSA's Audit Rule Trainings, and has presented as a keynote speaker on Ethics at three conferences, and Goals in Government Finance at the AGA Conference.
- ✓ Your proposed **Audit Supervisor, Justin Mehnert, CPA candidate**, is also familiar with governmental entities and has served municipalities throughout his career. He is accurate, friendly, and a hard worker. **He brings five years of governmental experience to you, having served organizations of all sizes.**



✓ Your proposed Audit Staff, Austin Arnold, is also experienced with governmental auditing. We believe you will enjoy working with him on the audit.

ACCEPTANCE OF CONDITIONS AND LICENSES

JAG accepts the responsibilities required to perform your audit and accept the conditions on preparing and submitting the proposal. We do not have Additional Terms and Conditions. JAG has a clear understanding of the work to be performed and accept that we are solely responsible for fulfillment of the contract with the Town, we are committed to perform the work within the time period, and affirm that this proposal is a firm and irrevocable offer of the engagement period.

We have the proper license to do business in Maryland and are a Woman-Owned Business Enterprise.

We commit to making the Town a long-term and extremely satisfied client of JAG under Audrey and Scott's leadership and guidance. You will find our work *thorough, accurate and on time*. We look forward to the opportunity to team with you as year-round resources on your financial and compliance auditing services.

Dated this 9th day of September, 2020; Jaramillo Accounting Group LLC (JAG)

Audrey J. Jaramillo, CPA, CFE, Managing Partner



**TOWN OF FOREST HEIGHTS, MARYLAND
 PROPOSAL FOR PROFESSIONAL AUDITING SERVICES
 JUNE 30, 2020, 2021 & 2022**

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**TOWN OF FOREST HEIGHTS, MARYLAND
PROPOSAL FOR PROFESSIONAL AUDITING SERVICES
JUNE 30, 2020, 2021 & 2022**



Jaramillo Accounting Group LLC (JAG) Partners have served more than two-hundred governmental (200) organizations throughout the U.S. over the course of their careers. Our Governmental Group is available to assist you with any of your accounting, audit and consulting needs.

PROPOSAL SUMMARY

An excellent audit team can have a significant impact on the success of an organization. Here is why we think you will be pleased to have selected Jaramillo Accounting Group LLC (JAG) *team with you* as your Independent auditors:

Governmental Experience

We offer the Town a team of professionals with more than 100 years of combined experience in public accounting to serve as your independent auditors. We have audited well over 200 distinct organizations that require an audit under the Office of the State Auditor in the last 25 years and over 90% of all our work is with governmental organizations. Most of these organizations require audits similar to the Town which must comply with Government Auditing Standards (Yellow Book) the Office of the State Auditor's rules of compliance, GASBs, and Uniform Grant Guidance audits. See also our resumes following this proposal for listings.

Direct Experience

Specifically, your proposed Lead Engagement Partner, Quality Review Partner, and team have served entities and programs similar to the Town as can be seen in the charts in this proposal. We serve very reputable clients.

One benefit to the Town in choosing JAG would be that there would be minimal training and transition required (and they will become familiar with your operations) since the Partners will heavily invest their time into the audit (at least 20% of the audit). The Partners work on the audits unlike other firms that schedule mainly staff and seniors with limited experience. Scott will personally serve you on the client relationship matters, audit requests, status meetings, communication with Those Charged with Governance, financial statement preparation, GASB implementation, UFR, and project management. Scott and Audrey are very familiar with local government and municipal audits, having served *many* over the last 25 years.

**TOWN OF FOREST HEIGHTS, MARYLAND
PROPOSAL FOR PROFESSIONAL AUDITING SERVICES
JUNE 30, 2020, 2021 & 2022**

JAG'S EXPERTISE AND EXPERIENCE

Independence

We are **independent of the Town** as defined by the US General Accounting Office's *Government Auditing Standards*. We know of no potential or actual conflicts of interest in relation to performing the financial and compliance auditing services.

Firm's Size

JAG is a national firm located in Albuquerque, New Mexico and was formed in 2013. We have been growing and thriving since inception. JAG is currently comprised of two Partners, seven CPAs, a CFE, Audit Supervisor, Audit Staff, and Administrative Staff and have had very steady, but safe growth. **We have 14 team members and 13,200 audit hours available.** JAG does have the current resources and excess capacity to serve you and on your preferred time-frame. See Proposed Team Organizational Chart below for specific team members and our Resumes at TAB I. At TABS L and M are JAG's Core Values and Statement of Capabilities.

Knowledgeable and On-Time

Your JAG team has been performing local government and municipal audits for over **25 years**. Your proposed team has over 100 years of combined governmental experience, which includes GASB implementations. We are prepared to assist you with any new accounting standards. **We believe in teamwork and being your year-round partner and we provide you with consistency and quality.** JAG has audited many entities that have Single Audits included.

For clients ready for audit, our audits are and will be submitted on time. JAG has a proven track record of being knowledgeable, ethical auditors along with being dependable and professional.

Firm's Peer Review Results and Disciplinary Action

Our Peer Review was completed in July 2019. **JAG earned the highest rating of "PASS" that a firm can attain. We share this with you to let you know that you can be confident that our work is high quality.** See our Peer Review Letter Is at TAB G. JAG's next Peer Review will be for the 3-year period of June 30, 2021, with a due date of December 31, 2021.



**TOWN OF FOREST HEIGHTS, MARYLAND
PROPOSAL FOR PROFESSIONAL AUDITING SERVICES
JUNE 30, 2020, 2021 & 2022**

No disciplinary or action or pending action has been taken against our firm or from any state regulatory bodies or professional organization.

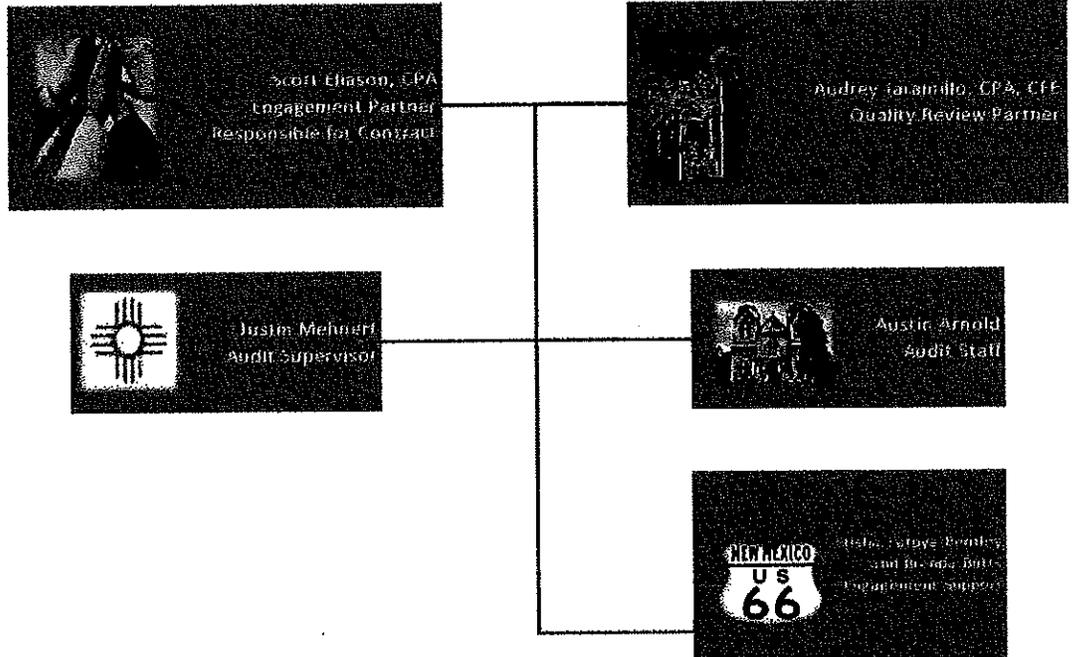
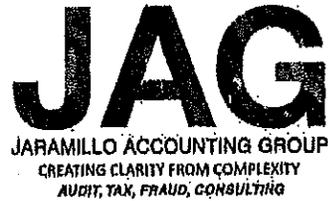


Licensed To Practice in Maryland

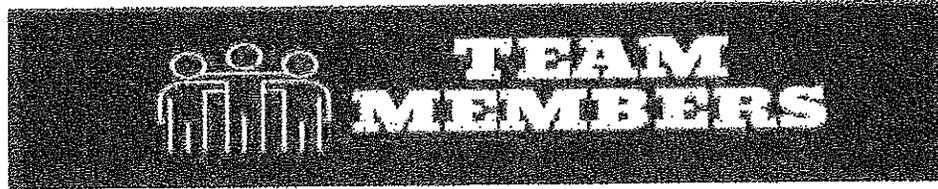
We have a Maryland firm permit (see TAB H) and the proper certifications and licenses to do business with the Town.

JAG's Organizational Chart

Your Proposed Team / Expertise



**TOWN OF FOREST HEIGHTS, MARYLAND
PROPOSAL FOR PROFESSIONAL AUDITING SERVICES
JUNE 30, 2020, 2021 & 2022**



Partner, Supervisory and Staff Qualifications

Engagement Partner

Your proposed Engagement Partner, Scott Eliason, CPA, brings to you over 25 years of specialization in audits and consulting with municipalities. He has audited a multitude of entities comparable to the Town and he understands your requirements very well. You can be assured your audit(s) will be performed and reviewed by a Partner with this specific knowledge.

Quality Review Partner

Your proposed Quality Review Partner, Audrey J. Jaramillo, CPA, CFE, brings to you over 22 years of specialization in municipalities, creating effective project management tools, utilizing a high level of communication, and working with the governmental teams in a friendly, cooperative manner. Audrey has served many municipalities, including Santa Fe, Albuquerque, Bernalillo, Raton, Grady, Tijeras, Los Ranchos, and Edgewood. Audrey serves on her local Town Council.

Audit Supervisor

Your proposed Audit Supervisor, Justin Mehnert, CPA candidate, is also familiar with governmental entities and has served municipalities throughout his career. He brings almost 5 years of governmental experience to you, having served municipalities of all sizes. Justin served in the military prior to joining JAG and is very skilled in financial statement auditing and reporting. His knowledge makes your audit process go smoothly, limiting the time required from you.

Audit Staff

Your proposed Audit Staff, Austin Arnold, is also familiar with governmental entities. He is professional and easy to get along with.

Other Team Members

Your proposed other team members are friendly and hard-working and have many years of administrative support.

**TOWN OF FOREST HEIGHTS, MARYLAND
PROPOSAL FOR PROFESSIONAL AUDITING SERVICES
JUNE 30, 2020, 2021 & 2022**

JAG'S WORK REQUIREMENTS AND AUDIT APPROACH



JAG Understands Scope of Work/Product to be Delivered

JAG appreciates the opportunity to submit our qualifications to conduct the independent audits for the Town for the period of July 1, 2019 through June 30, 2020 with two, one-year renewals. **Your proposed Partners have been performing these exact types of audits since the 1990's and understand the scope and the deliverables.**

In order to make sure we will deliver what you are seeking, we are explicitly listing the specifications for the Town. We understand:

1. The auditor shall audit and express an opinion on the fair presentation of the basic financial statements of the Town in conformity with general accepted accounting principles (GAAP).
2. The auditor shall be responsible for applying certain limited procedures to required management's discussion and analysis and other required supplementary information in accordance with generally accepted auditing standards.
3. All working papers and reports must be retained at the auditor's expense for a minimum of five (5) years, unless the firm is notified in writing by the Town of the need to extend the retention period. The auditor will be required to make working papers available upon request.

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

4. The auditor shall provide an opinion on other supplementary information for combining and individual non-major governmental funds or other supplementary information in relation to the basic financial statements to be taken as a whole.

5. The audit firm may not subcontract work under this agreement without express, written permission of the Town. Any subcontractors selected and approved must comply with the same terms and conditions of this agreement.

6. The auditor will complete and sign-off on the Fiscal Year 2020 Financial Statements and the Maryland Uniform Financial Report by December 31, 2020. One unbound printer proof and 10 bound copies of all reports must be rendered to the Town within the scheduled time frame. The auditor will render a management letter to the Town Council which will include any recommendations for improving accounting operations of the Town. This report will also include an opinion on the system of internal control.

**TOWN OF FOREST HEIGHTS, MARYLAND
PROPOSAL FOR PROFESSIONAL AUDITING SERVICES
JUNE 30, 2020, 2021 & 2022**

7. Proposals are to reflect the Auditing Firm preparing the Uniform Financial Report (UFR).

8. Presentation of Audited Financial Statements to the Mayor and Council.

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue:

1. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles;
2. A report on internal control over financial reporting and compliance based on an audit of the financial statements;
3. Any other report which may be required during the contract period based on new accounting pronouncements or procedures.

JAG understands the work that needs to be done and the commitment to perform the work within the time period. We will be available to perform additional services and provide technical support throughout the period of engagement. Our proposal is a firm and irrevocable offer of the engagement period.

JAG Understands Your Needs

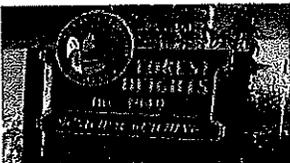
We recognize your Town's history:

The Town of Forest Heights is a municipality of the State of Maryland established in 1949 and serves an area approximately 1.63 square miles with a population of approximately 2,447 residents. The Town is organized into three functional departments: Administration, Public Safety, and Public Works. The financial affairs of the Town are managed by the Town Treasurer and the Town Administrator and approved by the Mayor and Town Council.

We understand the Town's revenue sources; we have reviewed your prior year audits and budgets.

Audit Milestone Chart, Sound Technical Plan

Our audits are designed to create a comprehensive and efficient plan to meet our audit objectives, and are divided into the following segments:



**TOWN OF FOREST HEIGHTS, MARYLAND
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Technical Plan
1. Entrance Conference and Transition to JAG
2. Planning and Risk Assessment
3. Interim Testing (Controls, Compliance)
4. Final Testing (Account balances, Financials)
5. Preparation and Reporting of Financial Audit
6. Issue UFR and Present to Mayor/Council
7. Planning For Next Year

Work Requirements and Audit Approach

- ✓ See below for the Audit Timing Milestones chart
- ✓ See audit approach below for audit methodology to be followed
- ✓ See above for organizational chart with names and expertise (all experts in governmental financial and compliance auditing).



This Audit Milestone and Timeline provide a general idea of the major milestones to anticipate during your audit. These specific activities and dates are based on our previous experience with the Town. During initial meetings with management, we will make the changes and adjustments to this plan and timeline that are deemed necessary to meet your specific needs. **We will also use a color-coded project management tool which will be completed during the Planning stages of the audit, in collaboration with your team.**

All dates/months are flexible with the Town's timing needs and preferences. COVID-19 will not stop our operations, as we are set up to work remotely from any location and are an essential business to help meet legal requirements. We utilize a secure portal for transfer of information required for the audit. All aspects of this audit will involve partner planning, supervision and review. Our firm has experienced personnel in the field. All our work is supervised by the partners. Our overall plan will include meetings as needed with management to report on our progress and any problems we encounter and to determine if any adjustments in the audit plan are needed. The following is a detailed description of our audit work plan.

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Example Audit Milestones	2020
Proposal Evaluation & Selection	September
Engagement Letter and PBC list	September
Planning, Risk Assessment, Update Documentation	September
Audit Plan and Audit Schedule	September
Controls /IT/Compliance Testing	Sept-October
Determination of new GASB Implementations (as applicable; delayed for FY20)	September
Audit progress meetings, preferably weekly	as Requested
IPA provide Audit Plan, Schedule, Milestones	as Requested
IPA provide Info to Management, Committees, Governance	as Requested
Final Fieldwork commences, no later than	October
Findings (if applicable)	as Determined
Assistance with Financial Statement Preparation	October
Final draft report and Mgmt Recommendations Letter (if any)	November
Financial Statements and Maryland UFR Reports, due no later than	December 31
Present Audit Report to Town Mayor and Council	as Requested
<i>Note all dates/months are flexible with the Town's timing needs and preferences, especially considering COVID-19. We work efficiently and effectively remotely.</i>	

Methods and Technologies

Entrance Conference and Transition



We will first meet with the Town and other appropriate personnel in an entrance conference to discuss risks, expectations, the audit process, timelines, any suspicions, concerns, or detection of fraud. These conversations are important and are required in Statement of Auditing Standards (AU-260).

In these meetings, we will also establish the liaison(s) for our working relationship during the audit and will communicate our specific plans to conduct an efficient and thorough audit. We will listen and be aware of the specific expectations and concerns of the Town and will be ready to meet the Town's additional requirements of auditing other areas that need auditing if requested. **We wish to communicate with the Town that we will go the extra mile in our providing excellent service and not just do what is required.**

It is also important to note that we review your prior auditor's working papers at no additional charge. This step is important because we have to assure in our audit documentation that the procedures used last year were adequate for us to rely on the opening balances in your financial statements. Without this assurance, there could be uncertainty of beginning balances and expanded testing could be required.

**TOWN OF FOREST HEIGHTS, MARYLAND
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Then, based on our communication with you and our communication with the prior auditor, we will begin our planning of your audit.

Approximate expected time: We can meet for the entrance conference as soon as we have been approved to conduct your audits. Given the current situation with COVID-19, we are available for a Zoom call and can set that up for you and JAG attendees.

Planning

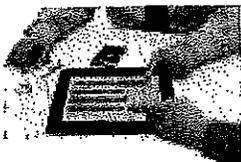
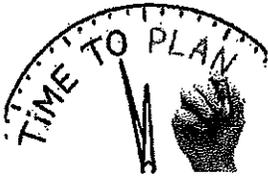
The foundations of planning your audit will be: gaining an understanding of your organizational hierarchy changes, conducting a risk assessment of your overall organization and documenting our understanding of your internal control structure and conducting a fraud assessment. We will document our understanding of the following of the Town:

- organizational hierarchy,
- internal control system including IT Systems
- accounting policies (State Audit Rule, Internal Policies),
- financial and management information systems, and
- specific contract, **single audit** and/or grant requirements based on the agreements.

Since we know municipalities and the respective audit approach from serving many of governments over the last 25 years, you will experience minimal transition with JAG. Audrey and Scott will personally pass along their knowledge to the audit team, update documentation, and minimize disruption to the Town in this process.

We will also document the proper planning considerations to ensure we accurately audit the Town according to the latest Statement on Auditing Standards and GASBS.

Information Technology and Data Processing: As part of our understanding of the Internal Controls, we will update a thorough understanding of the Town internal systems and software and the way transactions are initiated, recorded, processed, and reported. We will understand and document the extent of how your systems affect the processing of financial transactions and internal controls over grants and contract compliance requirements and determine if there are potential areas for error or abuse based on access by unauthorized users and disaster recovery issues.



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We will then complete our substantive and internal control testing by tracing transactions we have selected to what is posted in the general ledger.

Assessing the Town's Controls

The internal control structure for all significant accounting areas (and smaller areas, if requested by the Town) will be documented using questionnaires and/or narratives. We read your policy and procedure manuals, review your organizational hierarchy, review prior year work papers, document our understanding of the Town's methods of process accounting information, and determine changes through interviews with personnel. Once we have accumulated and documented all the information above, we will design our audit programs and audit approach to perform the audits. **Audrey and Scott work well with your prior auditor and we expect a very smooth transition.**

When we begin the fieldwork, we will compare our understanding the design of internal controls to how the internal controls are operating. Next will determine if there are weaknesses or improvements that can be made and discuss them with management. These procedures noted above are crucial in order to properly audit the Town and great care will be taken to make sure they are complete. We are familiar with internal controls and G/L compensating controls and do not expect any issues; however, we are required to report on them each year.

Prepared By Client Request List (PBC)

Next, we will collaborate with the Town on the "Prepared by Client" request list for the Town Financial Statement to further facilitate the audit. The PBC lists will request information that will be audited, such as your trial balance, approved budget, copy of certain grants, accounting policies and requests for financial and compliance information needed for examination during the audit. We will use the PBC lists as a document to help keep both us as auditors and staff on task and accountable in order to complete the audit in a timely manner. The PBC lists will document:

- a description of the item that needs to be delivered,
- who is responsible for submitting the deliverable,
- who prepared the deliverable,
- when the deliverable is due, and

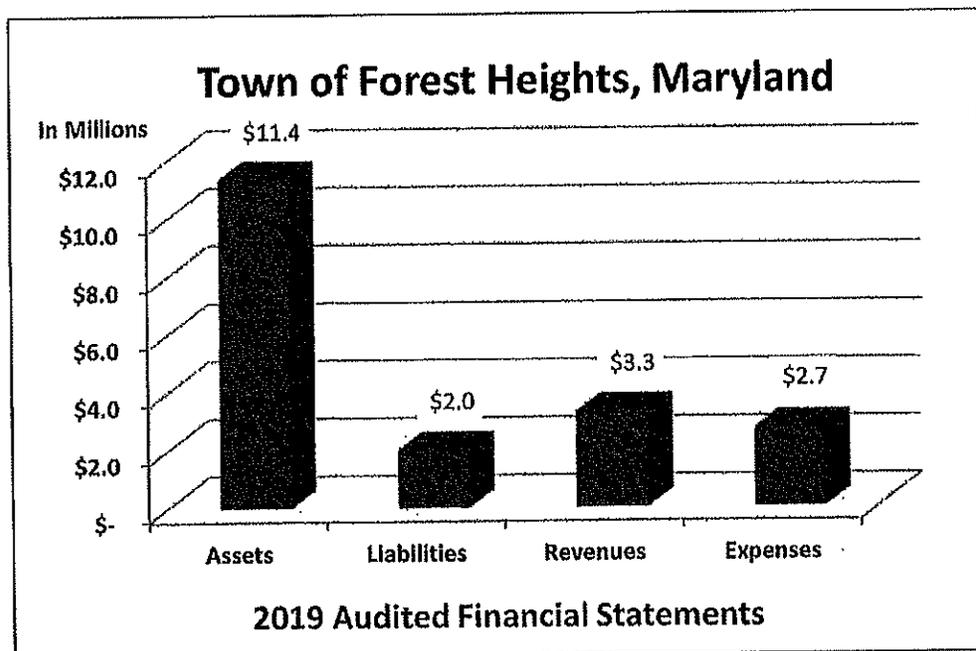
**TOWN OF FOREST HEIGHTS, MARYLAND
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- when the deliverable was actually submitted.

By using the PBC list throughout the audit we will be able to make the audit run more efficiently, effectively, and minimize the disruption of your staff and facilitate the audit being completed in a timely manner. We use this as a project management tool to ensure our team and the Town teams are on track, along with the Audit Timeline. Items will be uploaded to a *secure portal* for easy-access by both JAG and the Town teams.

If there are any problems fulfilling the PBC list requirements in the mutually agreed time-frame, we will meet with the appropriate management and staff at the Town to determine how to solve the problem. Note that we are flexible with your timing needs. Weekly meetings with management and are designed to prevent any surprises and to trouble-shoot problems.

Performing Analytical Procedures



We will conduct analytical procedures during our planning stage. Many of these procedures are relatively simple yet very powerful in determining if amounts on the Town's trial balance are reasonable or make sense. We will compare current year and prior year balances and actual and budgetary balances and identify if relationships

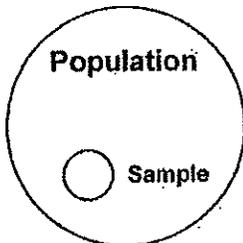
**TOWN OF FOREST HEIGHTS, MARYLAND
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between different account balances are reasonable and expected, if they are not, further understanding and test work, if necessary, will be conducted for these account balances during our fieldwork.

As part of our fieldwork testing, we will develop predictive tests using non-financial data to calculate an expected value and compare it to your balances on the trial balance for certain areas that lend itself to that kind of work. We also look at key ratios involved with changes in capital assets, payroll, etc.

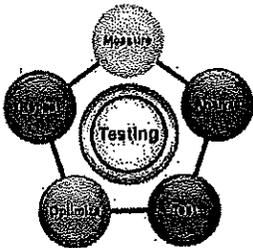
At the end of the fieldwork when all adjustments by the auditors have been made and we have a final audited trial balance, we will take another overall look for reasonableness based on our understanding of your organization and industry standards.

Method of Selecting Sample Sizes



We will select statistically based sample sizes based on our risk assessment determined in our planning stage because it is not biased. Usually these random sample sizes run from 25 to 40 based on risk. We will also pick random, haphazard or judgmental samples of specific areas such as significant expenditures, tests of travel and per diem, credit/gas usage, subsequent year disbursements, subsequent revenue transactions, deposit activity, or other areas deemed necessary for the audit plan. Samples are chosen throughout the audit as information on the federal grants and funds become available.

Interim Fieldwork



In conjunction with our planning stage, we will also conduct interim fieldwork. We will obtain sampling data from the proper personnel at the Town in order to conduct our test of transactions. The areas we will test will be revenues, (includes, grants, contracts, fees, etc.) expenditures, (includes payroll, travel, credit cards, gas cards, etc.), certain transactions from the general ledger and other appropriate areas needed to test the Town's internal controls, state expenditures, and substantive documentation for transactions.

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We are flexible with your timing preferences based on the Town staff workload, projects, and timing.

Fieldwork



We will test transactions and we will test balance sheet line items and adjust (if appropriate). We will also perform tests of the internal controls to determine the accuracy of the accounting data. We will examine and test the compliance with grants, laws, regulations, and contract provisions by testing the internal controls of the grant process and making sure the grants are being followed according to the grant agreements, and state and federal laws. We will document our work through our audit programs we designed in our planning stage and our workpapers.

JAG's audit staff will perform the fieldwork using a "paperless" software system with up-to-date laptop computers equipped with Internet access, auditing, scanning technologies and accounting software such as CCH Pro Systems fx Paperless Engagement, Microsoft Office products, and a client-portal for your secure upload of documents.

We will perform our fieldwork in accordance with auditing standards generally accepted in the United States of America. Again, we are flexible with your timing needs and will work when the information is complete and available for us.

Preparation of Financial Statements and Notes

Our software enables us to organize your accounting information and financials by self-balancing funds and permits us to compile the audited financial statements very accurately. We will assist you with the notes to the financial statements as well as all accompanying financial schedules required and GASB Implementation.

Exit Conference & Presentation to Governance

At the conclusion of the audit we will meet with management and the head of governance to present the independent audit opinion, the audited financial statements, the Management Discussion & Analysis (MD&A) as well as any audit findings.



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We will also communicate the following:

- what audit adjustments were made (if any),
- what audit adjustments were passed on because of immateriality (if any),
- if there were any disagreements with management (very rare),
- if there were any consultations with other accountants on any issues (none expected),
- If there were any difficulties in performing the audit (none expected).

Note that we are flexible with your timing preferences and this date will depend on many factors; however, you know your proposed Partner's dedication and hard work to meet and even exceed your expectations. By working hard together, we should have no problems meeting the deadline. We will deliver the final reports and the appropriate number of signed copies to the Town timely.

Communicating Findings and AJEs

We will provide information on possible findings and adjustments as they occur to your CFO so you may research them and clear up any misunderstandings quickly.

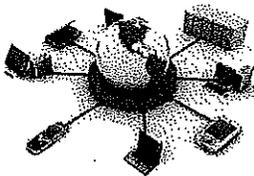
Year-end Feedback and Survey

To ensure we are continuously providing you with excellent service, we will survey your staff at the beginning of the next calendar year.

Information Systems Specialists

Our Engagement Partner, Quality Review Partner, Audit Supervisor, and Audit Staff all have experience assessing the essential controls over information systems. As required by our auditing standards, we will gain a thorough understanding of how your IT systems and software affects the way transactions are initiated, recorded, processed, and reported. We will understand and document the extent of how this affects the processing of financial transactions and determine if there are potential areas for error or abuse based on access by unauthorized users and disaster recovery issues.

We will then complete our substantive and internal control testing by tracing transactions we have selected to what is posted in your general ledger. We will



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review details that make up many account balances during the audit during our fieldwork and work subsequent to fieldwork to complete our audit accurately and efficiently.

Plans for Town Staff

What's the plan?

We request the following of the Town Staff:

- Commitment from the top down to complete the audits timely and to continue being proactive and responsive to audit team requests.
- Trial Balances and Schedules for audit as timely as possible, with little to no changes required.
- A weekly status meeting and a high level of problem-solving focused communication.

Approach for Subsequent Years

2021

Because our firm has very low turnover, the Town can expect the same staff to return for subsequent years for auditing. We plan to use experienced team members and provide high-quality service.

2022

We will approach the subsequent years similar to the initial year, but we anticipate a more efficient audit experience for us the auditors and for the Town staff because a significant amount of planning can be "rolled forward" to the subsequent years and only needs to be updated. We will also determine where to change our audit procedures each year as to not become predictable and to focus on different areas that may have not received as much scrutiny as in previous years. We will determine the areas that we can perform the audit more effectively and we will fine-tune the "provided by client list", if necessary, to improve our efficiency and our staff will be able to perform interim fieldwork at an earlier date since the approval for subsequent audits will most likely be sped up. We are always open to feedback to improve.

JAG'S TECHNICAL EXPERIENCE

JAG Specializes in Governments and Municipalities

Audrey and Scott have both worked on many government and municipalities of all sizes during their careers throughout the Southwest. **We are proud members of the AICPA's Government Audit Quality Center (GAQC) which has high standards for CPA**



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firms auditing governments. Below is a list of governmental clients for which an audit was performed in the last three years:

Governmental Entity	Annual Hours	Year(s)	Contact Name	Contact Number
Eastern NM University & Foundations	1000	2017-current	Carol Fletcher, Controller	575-562-2076
NM Office of the Superintendent of Insurance	900	2018-current	Bersabe Rodriguez, CFO	505-670-0510
Santa Fe Public Schools	600	2017-current	German Martinez, CFO	505-467-2047
Cibola County	500	2018-current	Kate Fletcher, County Manager	505-285-2590
Alamogordo Public Schools	450	2017-current	Bryan Runyan, Contract Accountant	575-993-3063
Carlsbad Municipal Schools	450	2018-current	Laura Garcia, Director of Finance	575-234-3300
Chaves County	400	2017-current	Joe Sedillo, Finance Director	575-624-6620
Socorro Consolidated School District	400	2017-2019	Rhlannon Cresplin, Exec Dir of Finance	575-517-7238
Clovis Community College	400	2014-2019	Heather Lovato, CFO	575-769-4039
Clovis Municipal Schools	400	2014-2019	Shawna Russell, CFO	575-769-4327
SC Colfax County Special Hospital District	350	2016-current	Kaycee Sandoval, Finance	575-483-3307
Cibola General Hospital Corporation	300	2019-current	Jim Hermes, CFO	505-287-5302
Village of Tijeras	300	2018-current	Bryan Runyan, Contract Accountant	575-993-3063
Seventh Judicial District Court	200	2016-current	Jason Jones, Court Executive Officer	575-835-0050
Ninth Judicial District Court	200	2018-current	Jo Ann Tootikian-Navares	575-742-7528
Eastern Area Workforce Development Board	200	2017-current	Tiffany Roth, Operations Manager	505-343-7612
Clayton Municipal Schools	200	2018-current	Myah Crisp, Business Manager	575-374-9611
Penasco Independent School District	200	2019-current	Janice Duran, Assistant Business Mngr	575-587-2502
Village of Grady	200	2018	Mayor Wesley Shafer	575-357-2005
Village of Angel Fire	200	2018-current	Chris Garner, Contract Accountant	505-681-4446
Village of Los Ranchos de Albuquerque	150	2018-current	Mayor Donald Lopez	505-344-6582
The above list is of JAG's governmental clients for FY17-19.				

Below is a list of other municipalities the Partners have worked on over the years:

Municipalities Served	
City of Albuquerque	City of Truth and Consequences
City of Gallup	Town of Bernalillo
City of Las Cruces	Village of Angel Fire
City of Las Vegas	Village of Grady
City of Raton	Village of Los Lunas
City of Santa Fe	Village of Los Ranchos
City of Sunland Park	Village of Tijeras

Technical Experience with GASB

All Governmental entities which we audit are required to implement GASB. Since this governmental standard has been in effect for some time now, we do not expect any problems relating to them. Other upcoming GASBs JAG is well-familiar with and will assist the Town with them as they become applicable.



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CPE and Professional Organizations

JAG makes sure that their professionals and staff attend CPE classes needed to stay abreast of new and updated information and to meet the requirements of the state. Please see TAB J for information on each team member's relevant CPE for the past 3 years and our professional resumes for the professional organizations we actively serve. We teach at CPE events regularly, honored to be 1 of only 3 IPAs chosen to train with the Office of the State Auditor at their State Audit Rule training state-wide, we were a keynote speaker on Ethics at AGA (Association of Governmental Accountants) and NMAASBO conferences, and trained on Goals in Government Finance for the AGA.

We are highly trained and qualified, summarized by our recent training below:

PROPOSED JAG TEAM	GOVT CPE HOURS TAKEN	TOTAL CPE HRS TAKEN
Scott Ellason, CPA, Engagement Partner	109	140
Audrey Jaramillo, CPA, CPE, CFA, Quality Review Partner	97	103
Justin Mehnert, CPA candidate	77	84
TOTAL JAG RECENT GOV'T TRAINING HRS TAKEN	283	327

DOLLAR COST BID SECTION



Our fees are based on the expertise of the individuals assigned and the hours of service performed. Our cost proposal is also based on the anticipated cooperation from your personnel and the assumption that we will not encounter any unexpected circumstances. If additional time became necessary (rare), we would discuss it with you and arrive at a new fee estimate and contract amendment mutually agreed upon. This proposal is valid for ninety (90) days after submission of this proposal.

THE THREE (3) CONTRACT YEARS FOLLOW:

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PROPOSED HOURS/COST PER YEAR	2020		2021		2022	
	Hours	Cost	Hours	Cost	Hours	Cost
Financial Statement Audit & UFR	130	\$ 15,000	130	\$ 15,000	130	\$ 15,000
Other non-audit assistance (GASB Implementations, etc.), if needed	10	No Charge	10	No Charge	10	No Charge
JAG PROPOSED HOURS/COST* PER YEAR:	140	15,000	140	15,000	140	15,000
First Year Client Discount		(1,000)		-		-
Total All-Inclusive Maximum Price		\$ 14,000		\$ 15,000		\$ 15,000

* Excludes any applicable taxes

Note that our fees are all-inclusive (travel, overhead, GASB implementations, meetings or Zoom meetings, routine phone calls, copies, scanning, necessary letters, confirmations, presentations, etc.)

Our hourly rates are as follows:

Position	Hourly Rate
Partner	\$ 225
Supervisor	\$ 135
Audit Staff	\$ 85
Administrative	\$ 45

We are available for additional work the Town requires, as needed, throughout the years. We do not charge for communications during the year.

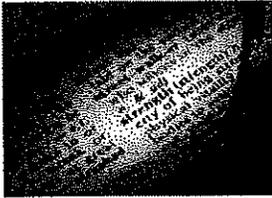
We are, and will remain, competitive with other firms offering the same or lower level of service. Should you have any questions about our fees, we would appreciate the opportunity to discuss them with you before your final decision. We appreciate the opportunity to be of service to the Town.

CONCLUSION

We appreciate the opportunity to be of service to the Town and believe this proposal accurately summarizes the significant terms of the engagement. If you have any questions, please let us know. If the terms of our proposal as described in the **Dollar Cost Bid Section** are to your liking, we will present an engagement letter representing our agreement with you to immediately begin services with the Town.

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JAG's Strengths



JAG's strengths include:

- ✓ Local firm, Woman-owned, providing services throughout New Mexico and currently expanding out of state.
- ✓ Team with over 100 years of governmental experience.
- ✓ Your proposed team specializes in and have served municipalities their entire careers.
- ✓ Flexible with your timing desires.
- ✓ Partners have served: Cities such as: Bernalillo, Farmington, Albuquerque, Gallup, Las Vegas, Santa Fe, Sunland Park, and Truth or Consequences and have over 25 years of GAGAS, State Audits, UGG, GASB and Financial Statement experience.
- ✓ Your proposed team has served over 50 governments are friendly and hard-working.
- ✓ You will have our personal cell numbers – with friendly, responsive service.

WHY JAG IS YOUR BEST CHOICE



Friendly – team approach

Results – JAG has always worked very hard with municipalities, through numerous challenges to ensure an on-time, high-quality report

Local – we know governments' operations, funding, requirements

Experts – partners have over 45 years of combined governmental experience

Flexible – schedule, personnel, hours, PBCs, timing of work, on or off-site

Communication – clear, timely, available, year-round, present in person, responsive

Consultants – teachers at heart, dedicated to continuous improvement

Creating Clarity from Complexity



OTHER SUPPORTING MATERIAL

Please see the following information as listed in the Table of Contents.





Colorado Society of Certified Public Accountants
2807 E. Belleview Ave., Suite 200
Englewood, CO 80111-0076
303-773-2077 | 800-523-2082



AICPA

Peer Review
Program

AICPA Peer Review Program administered in Colorado
by Colorado and New Mexico
by the Colorado Society of Certified Public Accountants

July 19, 2019

Audrey Jaramillo
Jaramillo Accounting Group LLC
4700 Lincoln Rd NE Ste 120
Albuquerque, NM 87109-2323

Dear Audrey Jaramillo:

It is my pleasure to notify you that on July 18, 2019, the Colorado Peer Review Committee accepted the report on the most recent System Review of your firm. The due date for your next review is December 31, 2021. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Thank you for your cooperation.

Sincerely,

Timothy Raub
Chair
traub@mracpas.com
303-421-4775
Colorado Society of CPAs

cc: James Stone, Scott Eliason

Firm Number: 900007814925

Review Number: 568126

THIS DOCUMENT IS VOID WITHOUT BLUE BACKGROUND. CONTAINS COPY VOID FEATURE & ARTIFICIAL WATERMARK ON THE BACK.



LICENSE * REGISTRATION * CERTIFICATION * PERMIT

STATE OF MARYLAND

MARYLAND DEPARTMENT OF LABOR

MARYLAND STATE BOARD OF PUBLIC ACCOUNTANCY

CERTIFIES THAT:

JARAMILLO ACCOUNTING GROUP LLC

Lawrence J. Hogan, Jr.
Governor
David K. Rutherford
Lt. Governor
Tiffany P. Robinson
Secretary

IS AN AUTHORIZED: 07-CPA LIMITED LIABILITY COMPANY

LIC/REG/CERT

44342

EXPIRATION

08-20-2022

EFFECTIVE

N/A

CONTROL NO.

5559465

Signature ofBearer

Secretary

WHERE REQUIRED BY LAW THIS MUST BE CONSPICUOUSLY DISPLAYED IN OFFICE TO WHICH IT APPLIES



Scott Eliason, CPA

ENGAGEMENT RESPONSIBILITY: Engagement Partner

Certification Information:

Designation	Date Obtained	State of Issuance	Certificate Number
CPA	08/1994	New Mexico	4169

Education:

See Continuing Professional Education tab for education directly related to state and local government audits and consulting.

30 Credit Hours in Accounting
University of New Mexico, 1991-1993

Bachelor of Science in Business Administration
Bemidji State University, Minnesota, 1980-1985

Career Experience:

April 2014 - Current :
Jaramillo Accounting Group LLC, Partner
August 1995 - March 2014:
Moss Adams LLP, Partner (2006-2014)
August 1993 - August 1995:
Arthur Anderson LLP

NM Government Audit Experience:

Over 25 years; see below for a select listing of clients served.

Current Duties & Responsibilities:

Engagement partner, technical leader, ensuring client satisfaction, compliance requirements, training, audit testing, sales and marketing, fieldwork, review/issue reports, special engagements, project management, consulting, quality control

Professional Organizations:

1994 - Present - American Institute of Certified Public Accountants
1994 - Present - New Mexico Society of Certified Public Accountants
2010 - Present - Association of Governmental Accountants



Select Governmental Clients :

Academy for Technology and the Classics & Foundation	2008, 2017-Present
Alamogordo Public Schools	2017-Present
Albuquerque Public Schools	2010-2011
Arizona Department of Education (AUPs)	2013
Arizona Higher Education Loan Authority	2008-2013
Arizona Lottery	2013
Bernalillo County	1996-1998
Bernalillo County - GASB 77 Consulting	2017
Bernalillo County Metro Court	2003-2013
Bernalillo County Metro Court - Special Audit Consulting	2018
Bernalillo Public Schools - Fraud Consulting	2016
Carlsbad Municipal Schools	2018-Present
Chaves County	2017-Present
Cibola County (General Hospital - 2019)	2018-Present
City of Albuquerque	1996-2004, 2009-2010
City of Gallup	1998
City of Las Vegas	2011-2012
City of Santa Fe	2008-2009
City of Sunland Park (inventory consulting)	2014
City of Truth or Consequences (inventory consulting)	2015
Clayton Municipal Schools	2018-Present
Clovis Community College	2011-2019
Clovis Municipal Schools	2014-2019
Des Moines Municipal Schools	2011-2016
Eastern New Mexico University	2008-2009, 2017-Present
Eastern Area Workforce Development Board	2017-Present
Institute of American Indian and Alaska Native Arts	2013-Present
Jicarilla Apache Tribe	2008-2009
Las Cruces Public Schools	2011-2013
Luna Community College	2011-2013
McKinley County	1999-2001
Mesa Del Sol Public Improvement District	2011-2013
Mid-Region Council of Governments	1996-1998, 2010-2013
Mohave County Community College District	2010-2012

Scott Eliason, CPA



Montecito Estates Public Improvement District	2011-2013
NM Finance Authority	1999-2004
Ninth Judicial District Court	2018-Present
NM Administrative Office of the Courts	2003-2011
NM Agency on Aging	2006-2008, 2010-2013
NM Association of Conservation Districts	2018-Present
NM Association of School Board Officials	2018-Present
NM Children, Youth, & Families	1997-2002
NM Commission for the Blind	2011-2013
NM Commission of Public Lands	2004-2013
NM Compilation Commission	2003-2011
NM Court of Appeals	2003-2011
NM Department of Corrections	1998-2002
NM Department of Cultural Affairs	2006-2012
NM Department of Cultural Affairs - Consulting	2014-2015, 2018
NM Department of Finance Admin - State General Fund	2006-2011
NM Department of Finance Administration	2005-2011
NM Department of Health	1999-2004, 2011-2013
NM Department of Health - Capital Assets Consulting	2018-Present
NM Department of Human Services	1996-1999, 2006-2007
NM Department of Public Safety	2005-2011
NM Department of Transportation	2010-2013
NM Educational Retirement Board	2007-2012
NM Energy, Minerals & Natural Resources Department	1997-2000
NM General Services Department	1998-2004
NM Highlands University	2008-2013
NM Institute of Mining and Technology	1999-2011
NM Lottery Authority	2005-2013
NM Medical Insurance Pool	1998-2000
NM Military Institute	2003-2004
NM Public Education Department	2011-2012
NM Public Employees Retirement Association	2005-2009, 2011-2013
NM Public Regulation Commission	2009
NM Real Estate Commission (AUP)	1998-2002
NM Regulation & Licensing Department	2006-2012, 2014-2015

Scott Eliason, CPA



NM School for Visually Handicapped (AUP)	1999
NM Sentencing Commission	2005-2013
NM State Investment Council	2006-2010
NM State Land Office	1999-2012
NM State University	2007-2013
NM Statewide CAFR (Review)	2002-2012
NM Student Loan Guarantee Corporation	2005-2013
NM Student Loans	2005-Present
NM Supreme Court	2003-2011
NM Supreme Court Building Commission	2003-2011
NM Taxation & Revenue Department	2011-2013
North Central Economic Development District (RediNet)	2017
Northern New Mexico College	2009-2013, 2015-2016
Office of Superintendent of Insurance	2018-Present
Oregon University System	2008-2012
Penasco Independent School District	2019
Rio Metro Regional Transit District	2010-2013
Santa Fe Community College	2005-2011
Santa Fe Public Schools	2007, 2017-Present
Seventh Judicial District Court	2016-Present
Socorro Consolidated School District	2017-2019
South Central Colfax County Special Hospital District	2016-Present
Southern Nevada Regional Transit District	2013
University of New Mexico	1996-2000, 2006-2009
Western New Mexico University	2005-2006
Workforce Connection of Central NM	2010-2013
Village of Angel Fire	2018-Present
Village of Grady	2018
Village of Los Ranchos de Albuquerque	2018-Present
Village of Tijeras	2018-Present



Audrey J. Jaramillo, CPA, CFE, CFA

ENGAGEMENT RESPONSIBILITY: Quality Review Partner

Certification Information:

Designation	Date Obtained	State of Issuance	Certificate Number
CPA	01/2002	New Mexico	5314
CFE	07/2007	N/A	

Education:

See continuing Professional Education attachment for education directly related to state and local government audits and consulting.

AICPA Leadership Academy, 2012
Leadership NM Graduate, State & Local Government Program, 2010

Governor's Award Outstanding Women, 2009
BBA in Accounting, University of New Mexico, 1998

Certified Public Accountant (CPA) License, 2002
Certified Fraud Examiner (CFE) License, 2007

Grassroots Leadership Academy, 2018

Career Experience:

- 2013 - Current: Jaramillo Accounting Group LLC
Managing Partner
- 2012 - 2013 : Heinfeld, Meech & Co., P.C
(exited NM), Partner
- 1998 - 2012: Moss Adams LLP, Asst. Staff, Staff,
Senior, Manager, Senior Manager
- 1996 - 1998: NM Woman Magazine, Accountant

Current Duties & Responsibilities:

Engagement partner, ensuring client satisfaction, employee concerns, training, audit testing, sales and marketing, fieldwork, review/issue tax and audits, fraud engagements, project management, consulting, quality control

NM Government Audit Experience:

Over 22 years; see below for a select listing of clients served.

December 2011-Present - Past President NM School Boards

February 2009-2017 - Moriarty-Edgewood Board of Education

June 2012-2015 - State Advisory Council Member to Secretary of Education

January 2012-Present - AICPA National Taskforce Training Young CPAs

2012-2017 - National School Boards Committees

2018-Present - Edgewood Town Councilor



Professional Organizations:

- 1998-Present - American Institute of Certified Public Accountants
- 1998-Present - New Mexico Society of Certified Public Accountants
- 2007-Present - Association of Certified Fraud Examiners
- 2002-Present - Association of Governmental Accountants
- 2008-Present - New Mexico School Boards Association
- 2008-Present - National School Boards Association
- 2009-2017 - NSBA National Hispanic Caucus
- 2012-Present - New Mexico Government Finance Association
- 2012-Present - New Mexico Municipal League
- 2010-Present - Leadership New Mexico
- 2015-Present - Edgewood Chamber of Commerce
- 2014-Present - Greater Albuquerque Hispano Chamber of Commerce

Select Governmental Clients :

Academy for Technology and the Classics & Foundation	2008, 2017-Present
Alamogordo Public Schools	2017-Present
Albuquerque Public Schools	2010-2011
Bernalillo County (Audit, GASB 77 Consulting)	2008-2009, 2017
Bernalillo Public Schools (Forensic Consulting)	2016
Bernalillo County Metro Court - Special Audit Consulting	2018
Carlsbad Municipal Schools	2018-Present
Carlsbad Municipal Schools (Forensic Consulting)	2018
Chaves County	2012, 2017-Present
Cibola County (General Hospital - 2019)	2018-Present
City of Albuquerque	2000-2004, 2009-2010
City of Gallup	2012
City of Las Cruces	2012
City of Las Vegas	2010-2012
City of Raton	2012
City of Santa Fe	2009
City of Sunland Park (inventory consulting)	2014
City of Truth or Consequences (inventory consulting)	2014-2015
Clayton Municipal Schools	2018-Present

Audrey J. Jaramillo, CPA, CFE, CFA



Clovis Community College	2014-2019
Clovis Municipal Schools	2014-2019
Cottonwood Valley Charter School	2017-Present
Deming Public Schools (Forensic Consulting)	2017-2018
Dibe Yazhi Habitiin Olga Grant School	2012
Eastern Area Workforce Development Board	2017-Present
Eastern NM University & Foundations	2017-Present
Fort Defiance Indian Hospital	2010-2012
Jicarilla Apache Tribe	2011-2012
Legislative Council Services	2016
McKinley County	1999-2002
Mid-Region Council of Governments	2010-2012
Mora County (Forensic Consulting)	2019
Navajo Preparatory School	2012
Ninth Judicial District Court	2018-Present
NM Administrative Office of the Courts	2010-2012
NM Agency on Aging	2010-2012
NM Association of Conservation Districts	2018-Present
NM Association of School Board Officials	2018-Present
NM Children, Youth, & Families	1997-2002
NM Commission for the Blind	2010-2012
NM Commission of Public Lands	2010-2013
NM Children, Youth, & Families	1998-2001
NM Department of Corrections	1999-2001
NM Department of Cultural Affairs (Audit, Consulting)	2010-2015, 2018
NM Department of Finance Administration	2010-2012
NM Department of Finance Admin - State General Fund	2010-2012
NM Department of Health	1999-2003, 2009
NM Department of Health - Capital Assets Consulting	2018-Present
NM Department of Human Services	2009
NM Department of Public Safety (Audit, Consulting)	2007-2011, 2015
NM Department of Transportation	2010-2012
NM Educational Retirement Board	2010-2012
NM Energy, Minerals & Natural Resources Department	1998-2001
NM General Services Department	1998-2004
NM Guarantee Corporation	2002-2008

Audrey J. Jaramillo, CPA, CFE, CFA



NM Higher Education Department	2010-2011
NM Lottery Authority	2008-2009, 2010-2012
NM Medical Insurance Pool	1998-2004
NM Military Institute	2012
NM Military Institute Foundation	2012
NM Office of the State Auditor QC Consulting	2002-2008
NM Public Education Department (Audit, AUP, Forensic)	2010-2012, 2016-2018
NM Public Regulation Commission	2009
NM Real Estate Commission	1998-2002
NM Regulation & Licensing Department	2008-2016
NM Rural Electric Self-Insurer's Fund	2010-2012
NM State General Fund & CAFR	2010-2012
NM State Investment Council	2004-2006
NM State Land Office	1999-2002, 2009-2010, 2013
NM State Library	2012
NM Student Loans	2005-Present
NM Taxation & Revenue Department	2004
North Central Economic Development District (RediNet)	2017
Northern New Mexico College	2015-2016
Northwest Regional Solid Waste Authority	2002-2004
Office of Superintendent of Insurance	2018-Present
Pecos Valley Drug Taskforce	2012
Penasco Independent School District	2019
Polvadera Water Association	2017-Present
Raton Public Service Company	2012
Rio Gallinas Charter School	2012
Rio Metro Regional Transit District	2010-2012
Santa Fe County/Region III Ex-Sheriff Solano	2010-2011
Santa Fe County Audit	2012
Santa Fe County Housing Authority	2012
Santa Fe Public Schools	2008, 2017-Present
Senate Chief Clerk's Office	2016
Seventh Judicial District Court	2016-Present
Shiprock Associated Schools	2012
Socorro Consolidated School District	2017-2019
South Central Colfax County Special Hospital District	2016-Present

Audrey J. Jaramillo, CPA, CFE, CFA



The Great Academy	2012-Present
Taos School District	2009
Town of Bernalillo	2012
Town of Bernalillo Housing Authority	2012
University of New Mexico	2006-2008
Village of Los Lunas	2011
West Las Vegas School District	2012
White Mountain Apache Tribe	2012
Workforce Connection of Central NM	2010-2012
Various Arizona school districts	2012-2013
Village of Angel Fire	2018-Present
Village of Grady	2018
Village of Los Ranchos de Albuquerque	2018-Present
Village of Tijeras	2018-Present

Federal Government :

Valles Caldera Trust	2010-2012
USA v Bruce Sanchez (CR 12-2377 MCA)	2014



Justin Mehnert

ENGAGEMENT RESPONSIBILITY: Audit Senior/Supervisor

Education:

BBA in Accounting
University of New Mexico, 2016

Intelligence Analyst
United States Army Intelligence Center, 2011

Career Experience:

June 2016 - Current:
Jaramillo Accounting Group LLC (JAG),
Audit Senior/Supervisor

March 2010 - November 2013:
Intelligence Analyst, United States Army

Current Duties & Responsibilities:

Audit Work
Sampling
Testing
Workpaper Preparation
Analytics
Uniform Guidance Single Audit &
Compliance Auditing

Information System Auditing

Accounting/Auditing/IT Experience:

5 years; see below for a select listing of clients served.
All Audits with an "x" denotes that a Uniform Guidance Single Audit was also conducted.

Alamogordo Public Schools (2016)	X 2017-Present
Bernalillo County (Audit, GASB 77 Consulting)	2017
Bernalillo Public Schools (Forensic Consulting)	2016
Carlsbad Municipal Schools	X 2018-Present
Chaves County	2017-Present
Cibola County (General Hospital - 2019)	2018-Present
Clayton Municipal Schools	2018-Present
Clovis Community College	X 2016-2019
Clovis Municipal Schools	X 2016-2019
Des Moines Municipal Schools	2016
Eastern Area Workforce Development Board	X 2017-Present

Justin Mehnert



Eastern New Mexico University	X 2017-Present
Institute of American Indian and Alaska Native Arts	X 2016-Present
NM Association of School Board Officials	2018-Present
NM Environment Department	X 2017
NM Public Education Department (AUP)	2016-2017
NM Regulation and Licensing Department	2016
Ninth Judicial District Court	2018-Present
Northern New Mexico College	X 2016-2017
Office of the Superintendent of Insurance	X 2018-Present
Polvadera MDWCA (AUP)	2018-Present
Santa Fe Public School District	X 2017-Present
Seventh Judicial District Court	2016-Present
Socorro Consolidated School District	X 2017-2019
South Central Colfax County Special Hospital District	2016-Present
Village of Angel Fire	2018-Present
Village of Grady	2018
Village of Los Rancho de Albuquerque	2018-Present
Village of Tijeras	2018-Present



Austin Arnold

ENGAGEMENT RESPONSIBILITY: Audit Staff

Education:

BBA In Accounting
University of New Mexico
Dec. 2019

Career Experience:

January 2020 – Current:
Jaramillo Accounting Group LLC (JAG), Audit
Staff

Current Duties & Responsibilities:

Audit work
Sampling
Testing
Workpaper Preparation

Job Experience:

Austin has financial statement and audit
experience, as well as some forensic.

Scott Ellason, CPA #4196

Continuing Professional Education

T or NT	Date Attended	Title of Program or Description of Content	School, Firm or Organization Conducting Program	Location of Program	NASBA #	College Course #	Type Code	Principal Instructor	TOTAL HOURS	Yellow Book Govt	Audit	Ethics
CPE CREDITS FOR THE PERIOD DECEMBER 1, 2016 - NOVEMBER 30, 2017												
T or NT	Date	Title	Org Conducting Program	Location	NASBA #	College Course #	Type Code	Principal Instructor	Total	Govt	Audit	Ethics
T	1/13/2017	2016 GAQC Annual Update Webcast	American Institute of CPAs	Albuquerque, NM	n/a	n/a	Code 8	AICPA	2	2	2	0
T	4/7/2017	(Audit Rule) Requirements for Contracting and Conducting Audits	NM Office of State Auditor	Albuquerque, NM	n/a	n/a	Code 4	Timothy Keller	3	3	3	0
NT	4/20/2017	Holding Government Accountable	Assoc Govt Accountants ABQ/NM Chapters	Albuquerque, NM	n/a	n/a	Code 4	Timothy Keller	1	1	1	0
T	4/20/2017	Auditing and Reporting under GASB 34 and the 2017 State Audit Rule	Assoc Govt Accountants ABQ/NM Chapters	Albuquerque, NM	n/a	n/a	Code 4	Emily Oster	1.5	1.5	1.5	0
NT	4/11/2017	Best Practices to Protect Files & Data	Assoc Govt Accountants ABQ/NM Chapters	Albuquerque, NM	n/a	n/a	Code 4	Mark J. Fidel	1.5	1.5	1.5	0
NT	4/21/2017	Numbers Don't Lie, People Do - Presentation	Assoc Govt Accountants ABQ/NM Chapters	Albuquerque, NM	n/a	n/a	Code 4	Audrey J. Jaramillo/Scott Ellason	2	2	2	2
T	5/2/2017	2017 GAQC Annual Update Webcast	American Institute of CPAs	Albuquerque, NM	n/a	n/a	Code 8	AICPA	2	2	2	0
T	9/20/2017	Single Audits: New Insights on Factors Driving Quality	American Institute of CPAs	Albuquerque, NM	n/a	n/a	Code 8	AICPA	2	2	2	0
T	11/30/2017	Governmental Special Purpose Reporting	Checkpoint Learning (Thomson Reuters)	Albuquerque, NM	103166	n/a	Code 8	RIA Checkpoint	8	8	8	0
									23	23	23	2

CPE CREDITS FOR THE PERIOD DECEMBER 1, 2017 - NOVEMBER 30, 2018

T	12/1/2017	Know What You Are Approving, Annual Audited Financial Statements - Presentation	NASBA	Albuquerque, NM	n/a	n/a	Code 4	Audrey J. Jaramillo/Scott Ellason	2	2	2	0
T	1/5/2018	Governmental Financial Reporting	Checkpoint Learning (Thomson Reuters)	Albuquerque, NM	n/a	n/a	Code 8	RIA Checkpoint	10	10	10	0
T	1/5/2018	Government Accounting Principles	Checkpoint Learning (Thomson Reuters)	Albuquerque, NM	n/a	n/a	Code 8	RIA Checkpoint	7	7	7	0
T	1/12/2018	2017 GAQC Annual Update Webcast	American Institute of CPAs	Albuquerque, NM	n/a	n/a	Code 8	AICPA	2	2	2	0
T	2/10/2018	Fraud Case Studies: Prevent Financial & Reputation Loss in Your District	NASBA	Albuquerque, NM	n/a	n/a	Code 4	Audrey J. Jaramillo/Scott Ellason	2	2	2	0
T	2/10/2018	Preventing and Clearing Audit Findings	NASBA	Albuquerque, NM	n/a	n/a	Code 4	Audrey J. Jaramillo/Scott Ellason	2	2	2	0
T	4/5/2018	CAFR Financial Statement Issues	Assoc Govt Accountants ABQ/NM Chapters	Albuquerque, NM	n/a	n/a	Code 4	Ron Spilman	1	1	1	0
NT	4/5/2018	Criminal Fraud Statement Issues	Assoc Govt Accountants ABQ/NM Chapters	Albuquerque, NM	n/a	n/a	Code 4	Benjamin A. Baker	1	0	1	0
T	4/5/2018	Best Practices for Those in Charge of Governance & Top Management	Assoc Govt Accountants ABQ/NM Chapters	Albuquerque, NM	n/a	n/a	Code 4	Marty Mathisen	1.5	1.5	0	0
NT	4/6/2018	Tax Reform	Assoc Govt Accountants ABQ/NM Chapters	Albuquerque, NM	n/a	n/a	Code 4	Senator William Sharer	1	0	0	0
NT	4/6/2018	What's Happening at OSA?	Assoc Govt Accountants ABQ/NM Chapters	Albuquerque, NM	n/a	n/a	Code 4	Wayne Johnston	1	1	0	0
T	4/6/2018	Single Audit - A-2	Assoc Govt Accountants ABQ/NM Chapters	Albuquerque, NM	n/a	n/a	Code 4	Sara Specht	1.5	1.5	1.5	0
T	4/6/2018	2018 Audit Rule	Assoc Govt Accountants ABQ/NM Chapters	Albuquerque, NM	n/a	n/a	Code 4	Jack Emmons	1.5	1.5	1.5	0
T	8/21/2018	DFA All-year CAFR Training	NM Department of Finance and Administration	Albuquerque, NM	n/a	n/a	Code 4	Ron Spilman	3	3	3	0
T	11/23/2018	PPC Guide to Preparing Government FS (Course #1)	Checkpoint Learning (Thomson Reuters)	Albuquerque, NM	n/a	n/a	Code 8	RIA Checkpoint	8	8	8	0
T	11/24/2018	PPC Guide to Preparing Government FS (Course #2)	Checkpoint Learning (Thomson Reuters)	Albuquerque, NM	n/a	n/a	Code 8	RIA Checkpoint	8	8	8	0
T	11/24/2018	PPC Guide to Preparing Government FS (Course #3)	Checkpoint Learning (Thomson Reuters)	Albuquerque, NM	n/a	n/a	Code 8	RIA Checkpoint	8	8	8	0
									60.5	58.5	57	0

CPE CREDITS FOR THE PERIOD DECEMBER 1, 2018 - NOVEMBER 30, 2019

T	4/12/2019	Audit Rule Training	NM Office of State Auditor	Albuquerque, NM	n/a	n/a	Code 4	Brian Coffon	3	3	3	0
T	11/16/2019	Audits of State and Local Governments	Checkpoint Learning (Thomson Reuters)	Albuquerque, NM	103166	n/a	Code 8	RIA Checkpoint	17	17	17	0
T	11/17/2019	GASB 34 - Basic Financial Statements for State and Local Governments	Checkpoint Learning (Thomson Reuters)	Albuquerque, NM	103166	n/a	Code 8	RIA Checkpoint	8	8	8	0
NT	11/17/2019	Ethics for CPAs	Checkpoint Learning (Thomson Reuters)	Albuquerque, NM	103166	n/a	Code 8	RIA Checkpoint	4	0	0	4
T	11/17/2019	GAO Standards - Yellow Book	Checkpoint Learning (Thomson Reuters)	Albuquerque, NM	103166	n/a	Code 8	RIA Checkpoint	6	6	6	0
T	11/24/2019	Internal Control and Fraud in Governments and Non-profits	Checkpoint Learning (Thomson Reuters)	Albuquerque, NM	103166	n/a	Code 8	RIA Checkpoint	2	2	2	0
									40	36	36	4

CPE CREDITS FOR THE PERIOD DECEMBER 1, 2019 - NOVEMBER 30, 2020

T	1/10/2020	2019 GAQC Annual Update Webcast	American Institute of CPAs	Albuquerque, NM	n/a	n/a	Code 8	AICPA	2	2	2	0
									2	2	2	0

Total 1 year: 12-01-2019 to 11-30-2020	2	2	2	0
Total 2 year: 12-01-2018 to 11-30-2020	42	38	38	4
Total 3 Year: 12-01-2017 to 11-30-2020	103	97	95	4

Audrey J. Jaramillo, CPA, CFE #5314

Continuing Professional Education

T or NT	Date Attended	Title of Program or Description of Content	School, Firm or Organization Conducting Program	Location of Program	NASBA #	College Course #	Type Code	Principal Instructor	TOTAL HOURS	Yellow Book	Addl	Fraud	Ethics
CPE CREDITS FOR THE PERIOD OCTOBER 1, 2016 - SEPTEMBER 30, 2017													
T	4/7/2017	Audit Rule Training	NM Office of State Auditor	Albuquerque, NM	n/a	n/a	Code 4	Timothy Keller	3	3	3	0	0
T	4/11/2017	The Value of a Self-Contained Compliance Program	Assoc. of Certified Fraud Examiners	Albuquerque, NM	303118	n/a	Code 20	Webinar	1	1	1	1	0
NT	4/20/2017	Holding Government Accountable	ABQ/NM Chapters - Assoc of Govt Accountants	Albuquerque, NM	n/a	n/a	Code 4	Timothy Keller	1	1	1	0	0
T	4/20/2017	Auditing and Reporting under GASB 34	ABQ/NM Chapters - Assoc of Govt Accountants	Albuquerque, NM	n/a	n/a	Code 4	Afan Bowers/Ently Oster	1.5	1.5	1.5	0	0
NT	4/21/2017	Best Practices to Protect Files & Data	ABQ/NM Chapters - Assoc of Govt Accountants	Albuquerque, NM	n/a	n/a	Code 4	Mark J. Fidel	1.5	1.5	1.5	0	0
T	4/21/2017	Numbers Don't Lie, People Do - Presentation	ABQ/NM Chapters - Assoc of Govt Accountants	Albuquerque, NM	n/a	n/a	Code 4	Audrey J. Jaramillo, CPA, CFE/Scott Eliason, CPA	2	2	2	2	2
T	5/30/2017	Case Study: Dianna Duran	Assoc. of Certified Fraud Examiners	Albuquerque, NM	n/a	n/a	Code 4	Jennifer Weber	1	1	1	1	1
T	6/4/2017	Frequent Frauds Found In Gov. and Not-For-Profit: Misappropriation of Assets; Donated Assets	American Institute of CPAs	Albuquerque, NM	n/a	n/a	Code 8	Webinar	1	1	1	1	0
T	6/15/2017	Fraud: Recent Findings, Red Flags and Corruption Scheme	American Institute of CPAs	Albuquerque, NM	n/a	n/a	Code 8	Webinar	4	0	4	4	0
T	7/13/2017	Fraud Risk in Governmental and Not-for-Profit Organizations	American Institute of CPAs	Albuquerque, NM	n/a	n/a	Code 8	Webinar	4	4	4	4	0
T	7/26/2017	Elder Investment Fraud: Diminished Capacity and the Aging Population	NM Public Accountancy Board	Albuquerque, NM	n/a	n/a	Code 4	NM Securities Division for the NM Public Accountancy Board	2	0	0	2	2
									22	16	20	35	5
CPE CREDITS FOR THE PERIOD OCTOBER 1, 2017- SEPTEMBER 30, 2018													
T	11/16/2017	Overview of Travel & Per Diem	LGD Budget Conference	Albuquerque, NM	n/a	n/a	Code 4	Local Government Division	2	2	2	0	0
T	11/16/2017	OSA Discussion on Correcting Audit Findings & Property Disposition Process	LGD Budget Conference	Albuquerque, NM	n/a	n/a	Code 4	NM Office of the State Auditor	1.5	1.5	1.5	0	0
T	11/16/2017	NMML Update & Legislative Initiatives	LGD Budget Conference	Albuquerque, NM	n/a	n/a	Code 4	NM Municipal League	2	2	2	0	0
T	11/17/2017	LGD Overview of County/Municipal Budget Process & Supporting Schedules	LGD Budget Conference	Albuquerque, NM	n/a	n/a	Code 4	Local Government Division	1.5	1.5	1.5	0	0
T	11/17/2017	Best Financial Practices	LGD Budget Conference	Albuquerque, NM	n/a	n/a	Code 4	Michael Steininger, LGD	2	2	2	0	0
T	12/7/2017	Know What You Are Approving, Annual Audited Financial Statements	NMSBA	Albuquerque, NM	n/a	n/a	Code 4	Audrey J. Jaramillo/Scott Eliason	2	2	2	0	0
T	12/6/2017	Property Taxes in New Mexico / GO Bond Structures	NM GFOA Winter Conference	Albuquerque, NM	n/a	n/a	Code 4	Erk Harrigan, Director / RBC Capital Markets	1	1	1	0	0
T	12/6/2017	Understanding Continuing Disclosures for Bonds	NM GFOA Winter Conference	Albuquerque, NM	n/a	n/a	Code 4	Loretta Garcia, President / Accu-Disclose, LLC	0.5	0.5	0.5	0	0
T	12/6/2017	New Mexico's Economy: Current Situation and Forecast	NM GFOA Winter Conference	Albuquerque, NM	n/a	n/a	Code 4	Michael O'Donnell Research Economist / Bureau of Business & Economic Research, UNM	1	1	0	0	0
T	12/7/2017	Internal Controls & Fraud	NM GFOA Winter Conference	Albuquerque, NM	n/a	n/a	Code 4	Kevin Sourisseau, CPA, Special Investigations Director / NM OSA	1	1	1	1	0
T	12/7/2017	How to Avoid 4 Common Pitfalls of Team-Based Work	NM GFOA Winter Conference	Albuquerque, NM	n/a	n/a	Code 4	Ryan P. Jacobson, Ph.D, ASM Alumni Endowed Associate Professor of Organizational Behavior, UNM	2.5	2.5	0	0	0
T	12/7/2017	Let the Sunshine In: An In-Depth Look at the Open Meetings Act	NM GFOA Winter Conference	Albuquerque, NM	n/a	n/a	Code 4	Luis Carrasco, Public Finance Attorney / Rodey, Dickason, Sloan, Akin & Robb, P.A.	2	2	2	2	0
T	12/8/2017	Audit Readiness 101	NM GFOA Winter Conference	Albuquerque, NM	n/a	n/a	Code 4	Lauren Vail, Senior Accountant; Gwen Mansfield-Vogt, CPA, Manager / RPC CPAs + Consultants, LLP	1.5	1.5	1.5	0	0
T	12/8/2017	Audit and Debt Issuance - What Creditors Look At	NM GFOA Winter Conference	Albuquerque, NM	n/a	n/a	Code 4	Zach Dillenback, Chief Lending Officer / NM Finance Authority	1	1	1	0	0
T	12/8/2017	Round Table Discussion (Auditing)	NM GFOA Winter Conference	Albuquerque, NM	n/a	n/a	Code 4	NM Municipal League	1	1	1	0	0
T	2/10/2018	Fraud Case Studies: Prevent Financial & Reputation Loss in Your District	NMSBA	Albuquerque, NM	n/a	n/a	Code 4	Audrey J. Jaramillo, CPA, CFE/Scott Eliason, CPA	2	0	2	2	0
T	2/10/2018	Preventing and Clearing Audit Findings	NMSBA	Albuquerque, NM	n/a	n/a	Code 4	Audrey J. Jaramillo, CPA, CFE/Scott Eliason, CPA	2	2	2	0	0
T	3/20/2018	Audit Rule Training	NM Office of the State Auditor	Albuquerque, NM	n/a	n/a	Code 4	Wayne Johnson, State Auditor	2.5	2.5	2.5	0	0
T	3/28/2018	NMML District Meeting	NM Municipal League	Albuquerque, NM	n/a	n/a	Code 4	NM Municipal League	4	4	4	0	0
T	4/5/2018	Goal Setting in Government	ABQ/NM Chapters - Assoc of Govt Accountants	Santa Fe, NM	n/a	n/a	Code 4	Audrey J. Jaramillo, CPA, CFE/Donna Sandoval	2	2	0	0	0
T	4/5/2018	CAFR Financial Statement Issues	ABQ/NM Chapters - Assoc of Govt Accountants	Santa Fe, NM	n/a	n/a	Code 4	Ron Spillman, State Controller	1	1	1	0	0
NT	4/5/2018	Criminal Fraud Statement Issues	ABQ/NM Chapters - Assoc of Govt Accountants	Santa Fe, NM	n/a	n/a	Code 4	Benjamin A. Baker, CFE	1	1	1	1	0
T	4/6/2018	Single Audit - Uniform Grant Guidance	ABQ/NM Chapters - Assoc of Govt Accountants	Santa Fe, NM	n/a	n/a	Code 4	Farley Vener	1.5	1.5	1.5	0	0
T	4/6/2018	LGD's Role in Local Government Fiscal Management and Oversight	ABQ/NM Chapters - Assoc of Govt Accountants	Santa Fe, NM	n/a	n/a	Code 4	Rick Lopez, DFA	1	1	1	0	0
NT	4/6/2018	What's Happening at OSA?	ABQ/NM Chapters - Assoc of Govt Accountants	Santa Fe, NM	n/a	n/a	Code 4	Jack Emmons, NM Deputy State Auditor	1	0	0	0	0
NT	4/6/2018	Attributes of High Performance Organizations	ABQ/NM Chapters - Assoc of Govt Accountants	Santa Fe, NM	n/a	n/a	Code 4	Mark Staranka	1.5	0	0	0	0
T	4/6/2018	People, Processes, and Software - Maximizing Your ERP's Value	ABQ/NM Chapters - Assoc of Govt Accountants	Santa Fe, NM	n/a	n/a	Code 4	Ron Spillman, State Comptroller; Cassandra Hayne, SHARE Director	1.5	1.5	1.5	0	0

T	5/16/2018	A Primer on Municipal Government: Do You Know What Type You're Is?	NM Municipal League; MOLI	Santa Fe, NM	n/a	n/a	Code 4	Randy Van Vleck, General Counsel, NMMML	2	2	2	0	0
T	5/16/2018	Municipal Court: The Dotted Line that Connects it to Municipal Government	NM Municipal League; MOLI	Santa Fe, NM	n/a	n/a	Code 4	Randy Van Vleck, General Counsel, NMMML	2	2	2	0	0
T	5/16/2018	Democracy In Action: Parliamentary Procedure For the Governing Body	NM Municipal League; MOLI	Santa Fe, NM	n/a	n/a	Code 4	Randy Van Vleck, General Counsel, NMMML	3.5	3.5	3.5	0	0
T	5/17/2018	If It's Important, It's In Your Budget?	NM Municipal League; MOLI	Santa Fe, NM	n/a	n/a	Code 4	James Jimenez, Executive Director NM Voice for Children, Former DFA Sec. and Rio Rancho City Mgr.	2.5	2.5	2.5	0	0
T	5/17/2018	NM Tax Structure: The Ties That Bind	NM Municipal League; MOLI	Santa Fe, NM	n/a	n/a	Code 4	Bill Fulghini, Exec. Dir. NMMML	1	1	1	0	0
T	5/17/2018	Lobbying: How to Get Your Message Heard	NM Municipal League; MOLI	Santa Fe, NM	n/a	n/a	Code 4	Bill Fulghini, Exec. Dir. NMMML	1	1	0	0	0
T	5/17/2018	Land Use: Practical Tips for Municipalities Large and Small	NM Municipal League; MOLI	Santa Fe, NM	n/a	n/a	Code 4	Brennon Williams, CZO, Deputy Director Planning Dept., COA	2	2	2	0	0
T	5/17/2018	Minimizing Risk: Not Knowing Your Liabilities is Liable to Make You Liable	NM Municipal League; MOLI	Santa Fe, NM	n/a	n/a	Code 4	Ed Zendei, Risk Services Dir., NM Self Insurers' Fund - NMMML	2	2	2	0	0
T	5/18/2018	Let the Sunshine In: An In-Depth Look at the Open Meetings Act	NM Municipal League; MOLI	Santa Fe, NM	n/a	n/a	Code 4	Luis Carrasco, Attorney Rodey, Dickason, Sloan, Atkin & Robb, P.A.; Consult w/ NMOAG	2	2	0	0	0
T	5/18/2018	Human Resources and You	NM Municipal League; MOLI	Santa Fe, NM	n/a	n/a	Code 4	Randy Van Vleck, General Counsel, NMMML	1	1	0	0	0
T	8/21/2018	DFA Midyear CAFR Training	NM Department of Finance and Administration	Albuquerque, NM	n/a	n/a	Code 4	Ron Spillman, State Comptroller	3	3	3	0	0
T	8/29/2018	Core Forensic Accounting Education: Evidence Identification and Gathering	Assoc. of International Certified Professional Accountants	Albuquerque, NM	n/a	n/a	Code 8	Webinar	1.5	0	1.5	1.5	0
T	8/31/2018	Core Forensic Accounting Education: Forensic Engagement Reporting	Assoc. of International Certified Professional Accountants	Albuquerque, NM	n/a	n/a	Code 8	Webinar	3	0	3	3	0
T	9/3/2018	Building a Fraud-Resistant Organization	Assoc. of International Certified Professional Accountants	Albuquerque, NM	n/a	n/a	Code 8	Webinar	2	0	2	2	2
T	9/4/2018	Core Forensic Accounting Education: Forensic Engagement Management - Part 1	Assoc. of International Certified Professional Accountants	Albuquerque, NM	n/a	n/a	Code 8	Webinar	3	0	3	3	0
T	9/12/2018	Don't Use a Hammer to Paint the Wall: Make Effective Use Your Available Land Use Tools	NM Municipal League; MOLI	Santa Fe, NM	n/a	n/a	Code 4	Brennon Williams, CZO, Deputy Director Planning Dept., COA	2	2	2	0	0
T	9/12/2018	Your Motion is Out of Order: How Do You Decide?	NM Municipal League; MOLI	Santa Fe, NM	n/a	n/a	Code 4	Randy Van Vleck, General Counsel NMMML	2	2	2	0	0
T	9/12/2018	All Meetings Shall Be Open To The Public (But Not Really): How to Properly Invoke the Open Meetings Act's Exceptions to Avoid Unnecessary Controversy or Litigation	NM Municipal League; MOLI	Santa Fe, NM	n/a	n/a	Code 4	Luis Carrasco, Attorney Rodey, Dickason, Sloan, Atkin & Robb, P.A.; Consult w/ NMOAG	3.5	3.5	3.5	0	0
T	9/13/2018	Budgeting 2.0	NM Municipal League; MOLI	Santa Fe, NM	n/a	n/a	Code 4	James Jimenez, Executive Director NM Voice for Children, Former DFA Sec. and Rio Rancho City Mgr.	2	2	2	0	0
T	9/13/2018	2020 Census: How Cities Can Prepare	NM Municipal League; MOLI	Santa Fe, NM	n/a	n/a	Code 4	Veronica Arzate, Partnership Specialist for the Census Bureau in NM	1	1	0	0	0
T	9/13/2018	Is NM in need of an Extreme Makeover?	NM Municipal League; MOLI	Santa Fe, NM	n/a	n/a	Code 4	Dala Dekker, MA, AICP, Principal / Architect	1	1	0	0	0
T	9/13/2018	Meet the Public Communication Challenge: Civility, Courage, Clarity	NM Municipal League; MOLI	Santa Fe, NM	n/a	n/a	Code 4	Mark Bennett, Organization Consultant/President, Decision Resources, Inc.	1.5	1.5	0	0	0
T	9/13/2018	Bonds 101 - Introduction to the Municipal Bond Market	NM Municipal League; MOLI	Santa Fe, NM	n/a	n/a	Code 4	Lalith Dayeni, Assoc. Public Finance Hitkop Securities Inc.	1	1	0	0	0
T	9/14/2018	Governance	NM Municipal League; MOLI	Santa Fe, NM	n/a	n/a	Code 4	Arthur Humphries, Business Advisor at the Federal and State Governments Sponsored Procurement Technical Assistance Center	3.5	3.5	3.5	0	0

92.5 78.5 76 15.5 2

CPE CREDITS FOR THE PERIOD OCTOBER 1, 2018- SEPTEMBER 30, 2019

T	11/16/2018	NMML Update	LGD Budget Conference	Albuquerque, NM	n/a	n/a	Code 4	Local Government Division	1.5	1.5	0	0	0
T	12/6/2018	Ethics: "Professional Integrity - Relationships"	NM GFOA Winter Conference	Albuquerque, NM	n/a	n/a	Code 4	Arthur Humphries, Procurement Technical Assistance Center Advisor	2	0	0	0	2
T	1/26/2019	Core Forensic Accounting Education: Forensic Engagement Management - Part 2	Assoc. of International Certified Professional Accountants	Albuquerque, NM	n/a	n/a	Code 8	Webinar	2.5	0	2.5	2.5	0
T	1/26/2019	Core Forensic Accounting Education: Effective Interviewing Techniques	Assoc. of International Certified Professional Accountants	Albuquerque, NM	n/a	n/a	Code 8	Webinar	1.5	0	1.5	1.5	0
T	2/14/2019	GASB 84	NM Assoc. of School Board Officials	Albuquerque, NM	n/a	n/a	Code 4	Audrey J. Iramillio, CPA, CFE	4.5	4.5	4.5	0	0
T	3/12/2019	GASB Leases: What Prepapers & Auditors Need to Know to be Ready for Implementation	American Institute of CPAs	Albuquerque, NM	n/a	n/a	Code 8	Webinar	2	2	2	0	0
NT	4/4/2019	Professional Opportunities	ABQ/NM Chapters -Assoc of Govt Accountants	Albuquerque, NM	n/a	n/a	Code 8	John Lynskey, CGFM, CPA, AGA National President	1	0	0	0	0
NT	4/4/2019	Embracing Excellence: Update from Office of the State Auditor	ABQ/NM Chapters -Assoc of Govt Accountants	Albuquerque, NM	n/a	n/a	Code 8	Brian Colon, Esq., Natalia Cordova, CPA and Stephanie Telles, CFE	1	0	0	0	0
NT	4/4/2019	Ethics	ABQ/NM Chapters -Assoc of Govt Accountants	Albuquerque, NM	n/a	n/a	Code 8	Audrey J. Iramillio, CPA, CFE	1.5	0	0	0	1.5
T	4/4/2019	State Compliance	ABQ/NM Chapters -Assoc of Govt Accountants	Albuquerque, NM	n/a	n/a	Code 8	Farley Voner, CPA, CFE, CGMA, Hinkle & Landers, PC and Elise Mignardot, CPA, NM OSA	1.5	1.5	0	0	0
T	4/5/2019	Legislating for Results & Government Accountability	ABQ/NM Chapters -Assoc of Govt Accountants	Albuquerque, NM	n/a	n/a	Code 8	Charles Saltea - Legislative Finance Committee	1.5	1.5	0	0	0
NT	4/5/2019	Leadership	ABQ/NM Chapters -Assoc of Govt Accountants	Albuquerque, NM	n/a	n/a	Code 8	Major General NM Kenneth A. Nava, The Adjutant General - US Dept. of Defense, National Guard Bureau	1	0	0	0	0
NT	4/5/2019	The Pain-to-Purpose Journey	ABQ/NM Chapters -Assoc of Govt Accountants	Albuquerque, NM	n/a	n/a	Code 8	Michael S. Seaver - Seaver Consulting LLC	1	0	0	0	0
T	4/5/2019	White Collar Crime	ABQ/NM Chapters -Assoc of Govt Accountants	Albuquerque, NM	n/a	n/a	Code 8	Marty Mathison, CPA, CFGM - Alderson & Co., Ltd.	1.5	1.5	1.5	0	0
T	4/12/2019	Audit Rule Training	NM Office of the State Auditor	Albuquerque, NM	n/a	n/a	Code 4	Brian Colon, State Auditor	3	3	3	0	0

NT	8/28/2019	Opening General Session / NMMML	NM Municipal League 2019 Conf.	Albuquerque, NM	n/a	n/a	Code 4	Dr. Bill Mitchell	2	0	0	0	0
T	8/28/2019	PERA: Solvency Task Force Update	NM Municipal League 2019 Conf.	Albuquerque, NM	n/a	n/a	Code 4	Office of the Governor	1.5	1.5	1.5	0	0
T	8/29/2019	Fraud: All the Queen's Horses and All the King's Men Couldn't Put Dixon Together Again	NM Municipal League 2019 Conf.	Albuquerque, NM	n/a	n/a	Code 4	Documentary	3	3	3	3	0
T	8/29/2019	Closing General Session / NMMML	NM Municipal League 2019 Conf.	Albuquerque, NM	n/a	n/a	Code 4	Gov. Michelle Lujan Grisham	1	0	0	0	0
T	9/19/2019	Fraud in NM - (Responsibility to Report Fraud	NMASBO Conference	Las Cruces, NM	n/a	n/a	Code 4	Shawn Price, OSA	1	1	1	1	0
T	9/19/2019	GASB 87 - Lease Disclosure	NMASBO Conference	Las Cruces, NM	n/a	n/a	Code 4	Audrey Jaramillo, CPA, CFE	1	1	1	0	0
T	9/19/2019	GASB 87 - Lease Disclosure - CPE Preparation	NMASBO Conference	Albuquerque, NM	n/a	n/a	Code 4	Audrey Jaramillo, CPA, CFE	2	2	2	0	0
T	9/19/2019	Checking Your Financial Statements	NMASBO Conference	Las Cruces, NM	n/a	n/a	Code 4	Audrey Jaramillo, CPA, CFE	1	1	1	0	0
T	9/19/2019	Checking Your Financial Statements - CPE Preparation	NMASBO Conference	Albuquerque, NM	n/a	n/a	Code 4	Audrey Jaramillo, CPA, CFE	2	2	2	0	0
T	9/19/2019	Internal Controls: COSO Framework	NMASBO Conference	Las Cruces, NM	n/a	n/a	Code 4	AJ Bowers	1	1	1	0	0
									45	28	30	10.5	3.5

CPE CREDITS FOR THE PERIOD OCTOBER 1, 2019- SEPTEMBER 30, 2020

T	11/4/2019	The Great GASB: Guidance on GASB No. 84, fiduciary duties and GASB No. 87, leases	NM Office of the State Auditor	Albuquerque, NM	n/a	n/a	Code 4	David R. Bean, GASB Director of Research and Technical Activities	2	2	2	0	0	
									2	2	2	0	0	
									Total	Govt	Audit	Fraud	Ethics	
									Total 1 year: 10-01-2019 to 9-30-2020	2	2	2	0	0
									Total 2 year: 10-01-2018 to 9-30-2020	47	30	32	10.5	3.5
									Total 3 Year: 10-01-2017 to 9-30-2020	139.5	108.5	108	26	5.5

Justin Mehnert

Continuing Professional Education by Session

T or NT	Date Attended	Title of Program or Description of Content	Type Code	TOTAL HOURS	Yellow Book Govt	Audit	Fraud	Ethics
CPE CREDITS FOR THE PERIOD October 1, 2017 - September 30, 2018								
T	12/19/2017	Understanding the Actuary's Role and Relevant Assumptions in Governmental Audit Engagements	Code 4	2	2	2	0	0
T	3/27/2018	NM OSA 2018 Audit Rule	Code 4	2.5	2.5	2.5	0	0
T	3/28/2018	Cybersecurity - Group-Live	Code 4	2	2	2	0	0
NT	4/18/2018	Success Is a Choice	Code 4	1.5	0	1.5	0	0
T	4/18/2018	Advanced Excel	Code 4	1.5	0	1.5	0	0
T	4/18/2018	CAFR Financial Statement Issues	Code 4	1	1	1	0	0
NT	4/18/2018	Criminal Fraud Investigation Update	Code 4	1	1	1	0	0
T	4/18/2018	Are you Prepared for the Upcoming GASB's?	Code 4	1.5	1.5	1.5	0	0
T	4/18/2018	Goal Setting In Government	Code 4	1.5	1.5	0	0	0
NT	4/18/2018	The Future of Accounting In the Digital Age	Code 4	1.5	1.5	1.5	0	0
T	4/18/2018	Walk-Through of Government Financial Statement Preparation	Code 4	1.5	1.5	1.5	0	0
T	4/18/2018	LGD's Role in Local Government Fiscal Management and Oversight	Code 4	1	1	1.5	0	0
NT	4/18/2018	What's Happening at OSA?	Code 4	1	1	1	0	0
T	4/18/2018	Single Audit - A - Z	Code 4	1.5	1.5	1.5	0	0
T	4/18/2018	Reviewing Your Financial Statements 101	Code 4	1.5	1.5	1.5	0	0
T	8/21/2018	DFA Midyear CAFR Training	Code 4	3	3	3	0	0
				26	23	25	0	0

CPE CREDITS FOR THE PERIOD October 1, 2018 - September 30, 2019

T	3/27/2019	2019-2020 Operating Budget Overview	Code 4	1	1	1	0	0
T	3/27/2019	Office of State Auditor Perspectives on the Audit Process	Code 4	1	1	1	0	0
T	3/27/2019	USDA Procurement Reviews for NSLP	Code 4	1	1	1	0	0
T	3/27/2019	PED Training and Experience	Code 4	1	1	1	0	0
T	3/27/2019	PED Update and Multi-Cultural Educational Framework	Code 4	2	2	2	0	0
T	3/28/2019	School Transportation	Code 4	1	1	1	0	0
T	3/28/2019	Capital Outlay Bureau Personalized Training	Code 4	1	1	1	0	0
T	3/28/2019	New Mexico's Differentiated System of Support for LEAs and Schools 2019-2021	Code 4	2	2	2	0	0
NT	4/4/2019	Professional Resiliency	Code 4	1.5	0	1.5	0	0
T	4/4/2019	GASB Update (incl GASB 84)	Code 4	1.5	1.5	1.5	0	0
NT	4/4/2019	Payment Options: Multiplying Like Rabbits!	Code 4	1	0	1	0	0
T	4/4/2019	Embracing Excellence: Update from Office of the State Auditor	Code 4	1	1	1	0	0
T	4/4/2019	Single Audit/Yellow Book Updates	Code 4	1.5	1.5	1.5	0	0
T	4/4/2019	IT Security and Importance of Strong Controls	Code 4	1.5	1.5	1.5	0	0
NT	4/5/2019	Improving Accounting for Economic Development Efforts	Code 4	1.5	1.5	1.5	0	0
T	4/5/2019	How to maintain segregation of duties when resources are limited: A Real-Life Example	Code 4	1.5	1.5	1.5	0	0
T	4/5/2019	Understanding the Performance Audit Process and Responding to Findings	Code 4	1	1	1	0	0
NT	4/5/2019	The Pain-to-Purpose Journey	Code 4	1	0	0	0	0
T	4/5/2019	Findings - what causes them and how you can resolve them	Code 4	1.5	1.5	1.5	0	0
T	4/5/2019	Getting the most out of the Internal audit process	Code 4	1.5	1.5	1.5	0	0
				26	23	25	0	0

CPE CREDITS FOR THE PERIOD October 1, 2019 - September 30, 2020

T	12/28/2019	Internal Control and Fraud in Governmental and Nonprofit Entities-CPGOVF	Code 8	11	11	11	0	0
T	12/30/2019	Audits of State and Local Governments-CLGVT2	Code 8	17	17	17	0	0
T	1/2/2020	GAAS Guide - Reporting-CPGGRT	Code 8	4	4	4	0	0
				32	32	32	0	0

	Total	Govt	Audit	Fraud	Ethics
Total 1 year: 10-1-19 to 9-30-20	32	32	32	0	0
Total 2 year: 10-1-18 to 9-30-20	58	55	57	0	0
Total 3 year: 10-1-17 to 9-30-20	84	77	82	0	0

REMINDERS;

- You must keep the Board apprised of your current mailing address by submitting a written request for a change of address.
- Pay attention to the expiration date of your license. If you do not receive a renewal notice at least four (4) weeks before your license is due to expire, contact the Board Office and request that a duplicate renewal form be mailed to you.
- A change of name requires that you submit a written request for a name change and a copy of the legal document supporting the name change.
- A replacement license requires that you submit a written request for a replacement license along with a sworn statement (before a notary public) stating the reason for a replacement license (lost, stolen, destroyed) and the required fee.

THIS LICENSE MUST BE CONSPICUOUSLY POSTED IN THE HOLDER'S PRINCIPAL PLACE OF BUSINESS

THIS IS TO CERTIFY THAT Scott A. Eliason	
<small>Is licensed by the New Mexico Public Accountancy Board in accordance with provisions of laws in the State of New Mexico</small>	
License Number 4196	License Type Active
Certified Public Accountant	
Issue Date 10/20/1994	Expiration Date 11/30/2020
<small>The bearer is prohibited by law from using this identification card to give the impression that they are in any way connected with a governmental agency</small>	
Signature of holder:	

PLEASE NOTE: Your certificate has been renewed to the last day of your birth month. Your next renewal notice will be emailed to you 45 days prior to the 1st day of your birth-month. Contact the Board office at (505) 222-9850 if you do not receive a renewal notice within the time frame specified above.

New Mexico Public Accountancy Board

5500 San Antonio Dr., Ste. A
Albuquerque, NM 87109
(505) 222-9850



Certified Public Accountant

THIS IS TO CERTIFY THAT

Scott A. Eliason

having complied with the laws of the State of New Mexico regulating the practice of Public Accountancy, is hereby authorized to perform services as a Certified Public Accountant as prescribed in the 1999 Public Accountancy Act.
This active certificate is in good standing.

License Number: 4196
First Issue Date: 10/20/1994
Expiration Date: 11/30/2020

Scott A. Eliason
36 Vista Encantada,
Edgewood, NM 87015

New Mexico Public Accountancy Board

5500 San Antonio Dr., Ste. A
Albuquerque, NM 87109
(505) 222-9850



Certified Public Accountant

THIS IS TO CERTIFY THAT

Audrey Jean Jaramillo

having complied with the laws of the State of New Mexico regulating the practice of Public Accountancy, is hereby authorized to perform services as a Certified Public Accountant as prescribed in the 1999 Public Accountancy Act.
This active certificate is in good standing.

License Number: 5314
First Issue Date: 01/18/2002
Expiration Date: 09/30/2020

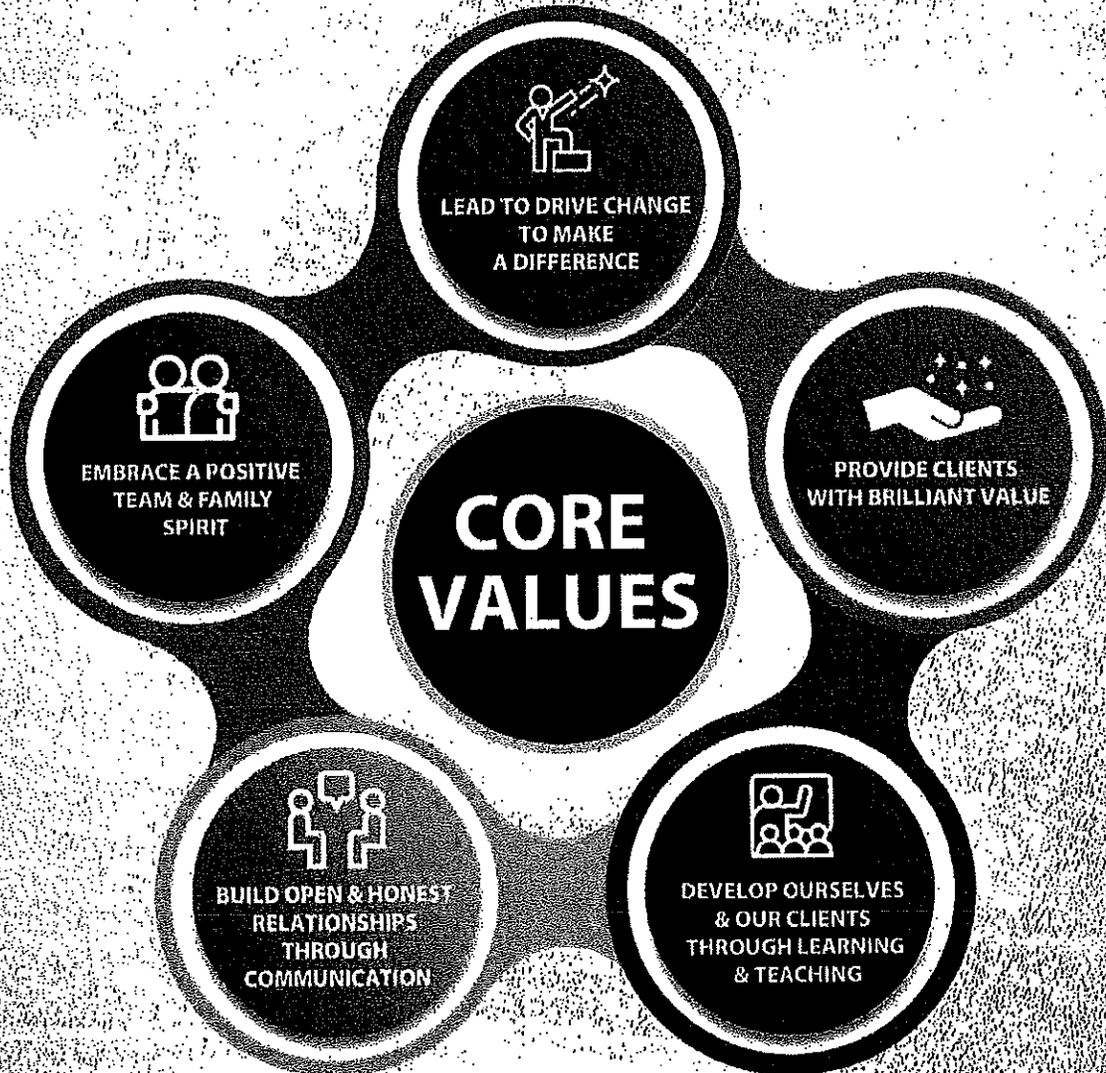
Audrey Jean Jaramillo
4700 Lincoln Rd NE,
Albuquerque, NM 87109

CREATING CLARITY

JAG JARAMILLO
ACCOUNTING
GROUP
CLARITY FROM COMPLEXITY

FROM COMPLEXITY

THESE 5 INTERCONNECTED PRINCIPLES GUIDE US IN ALL WE DO AT JAG.
To ensure our Clients receive outstanding service and results, our Team Members live these core values.



www.JAGnm.com

STATEMENT OF CAPABILITIES

Jaramillo Accounting Group LLC is

SBA WOSB
Woman Owned Small Business

CERTIFIED



with
15-20
employees



based in
**Albuquerque,
New Mexico**

JAG

JARAMILLO
ACCOUNTING
GROUP
CLARITY FROM COMPLEXITY

Jaramillo Accounting Group LLC offers accounting, forensic, assurance, tax and consulting solutions for Government, Non-profit, and Commercial entities.

Through audit, training, and consulting, JAG facilitates continuous development in accounting processes, internal control systems, fraud prevention and detection.

Our focus on continuous development creates professional growth for clients and employees.



**The power to make a difference,
the people to make it count.**



VISION

JAG's reputable local industry experts analyze, problem solve, and train to provide NM with CLARITY FROM COMPLEXITIES of accounting, processes, operations, and fraud.



MISSION

Through audit, training, and consulting, JAG facilitates continuous development in accounting processes, internal control systems, and fraud prevention and detection. We create professional growth for clients and employees.



Audrey J. Jaramillo,
CPA, CFE
JARAMILLO ACCOUNTING GROUP, LLC (JAG)

member of



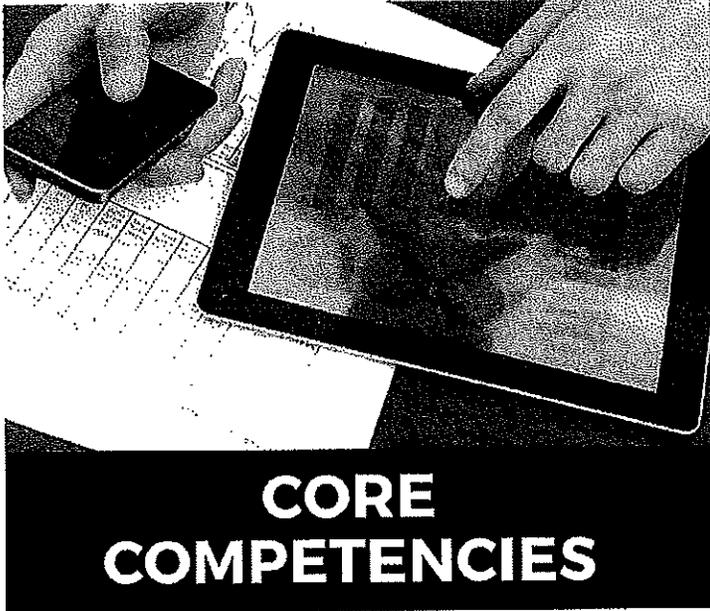
**Governmental
Audit Quality Center**

DUNS #: 079976738
Cage Code: 83Q59
SBA WOSB, CPA, CFE, BBA

NAICS Codes:
541211 - Primary, Offices of
Certified Public Accountants

541611 - Administrative and
Business Management,
and Strategic planning
consulting services

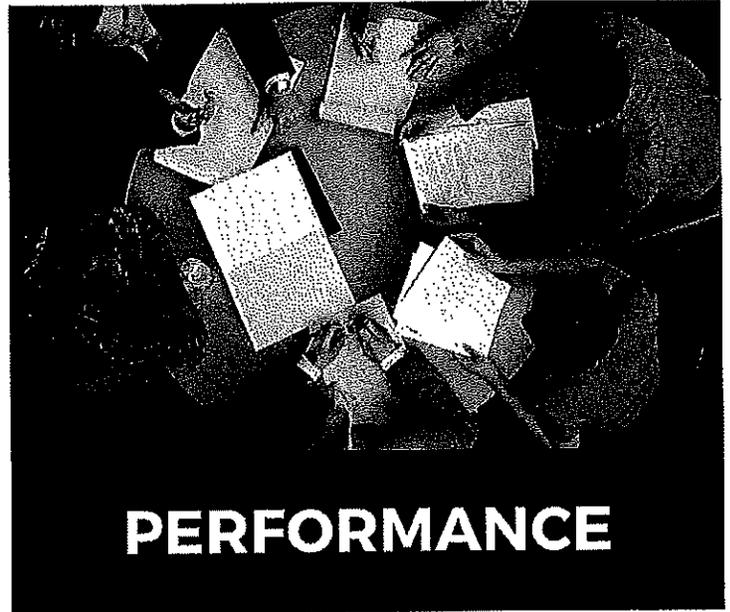
541614 - Efficiency
management
consulting services



CORE COMPETENCIES

JAG creates Clarity for our Clients from the Complexities of Operations, Tax, Audit, and Fraud.

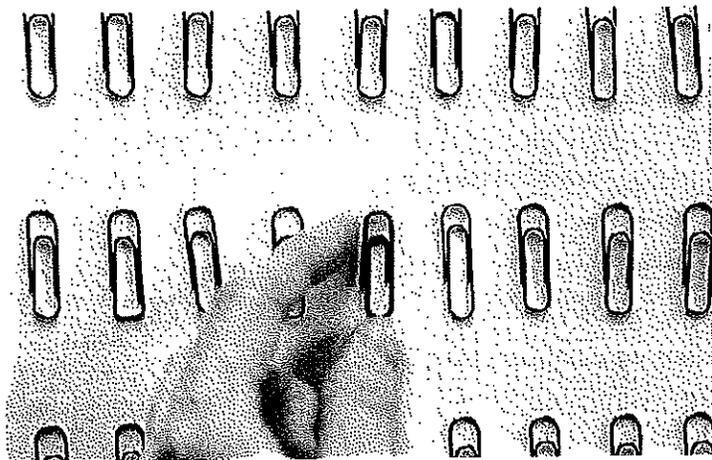
- Federal, State, Local Government Audits
- Federal, State Grant Audits
- Commercial audits, reviews, compilations
- Consulting
- Monthly Accounting Services
- Tax Preparation & Strategic Planning
- Performance Audits
- Uniform Grant Guidance Audits
- Audit Prep & Liaison Services
- Forensic (Fraud) Audits
- Fraud Prevention/Detection Services
- Proactive Process Improvement Engagements



PERFORMANCE

JAG and Team members have proven current and past performances with such Organizations as:

- Over 200 governmental entity engagements
- U.S. Federal Courts (US vs. Sanchez – Expert Witness)
- Valles Caldera Federal Trust – Audit
- Federal BIA Office of Special Trustee
- NM Regulation and Licensing Department
- NM Department of Public Safety (State Police)
- School Districts/Charter Schools and Higher Education Institutions
- Local Governments, Municipalities and Counties
- Healthcare and Construction Entities
- Financial Institutions and Credit Unions
- High Profile Non-Profits
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MAYOR AND COUNCIL
THE TOWN OF FOREST HEIGHTS
ORDINANCE NO. 04-20

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE TOWN OF FOREST HEIGHTS, MARYLAND AMENDING ARTICLE 14 (TOWN PUBLIC ETHICS ORDINANCE) OF THE TOWN ORDINANCE CODE, BY AMENDING SECTIONS 14.4 (CONFLICTS OF INTEREST); AND 14.5 (FINANCIAL DISCLOSURE BY ELECTED OFFICIALS AND CANDIDATES) TO APPROVE CERTAIN CHANGES MADE THERETO CONSISTENT WITH THE REQUIREMENTS OF HB 879, (ENACTED DURING THE 2017 LEGISLATIVE SESSION), INCLUDING CERTAIN CHANGES THAT MUST BE ADOPTED FOR A LOCAL GOVERNMENT TO BE IN COMPLIANCE WITH THE REQUIREMENTS OF SUBTITLE 8 OF THE PUBLIC ETHICS LAW OR COMAR 19A.04 SUCH AS (I) LANGUAGE ADDED TO THE CONFLICT OF INTEREST SECTION COVERING LOCAL ELECTED OFFICIALS PRECLUDED FROM LOBBYING FOR ONE CALENDAR YEAR AFTER LEAVING OFFICE, AND (II) REMOVAL OF HOME ADDRESSES FROM PUBLIC DISCLOSURE FOR LOCAL EMPLOYEES AND ELECTED OFFICIALS ON THEIR FILINGS SUBMITTED AFTER JANUARY 1, 2019 AND CERTAIN OTHER DISCRETIONARY CHANGES; AND GENERALLY RELATING TO THE TOWN'S PUBLIC ETHICS LAW.

Introduced By: Mayor Habeeb-Ullah Muhammad

WHEREAS, during the 2010 legislative session, the General Assembly of Maryland enacted legislation mandating required changes in local ethics ordinances that include: (1) adopting conflict of interest and financial disclosure provisions for elected municipal officials that are equivalent to or exceed the State's, (2) requiring that local elected officials must file a financial disclosure statement complying with said provisions, (3) requiring the local ethics commission to certify to the State Ethics Commission on or before October 1 of each year that the municipal corporation is in compliance with the requirements for elected local officials, and (4) requiring that candidates for election also must comply with the financial disclosure requirements of the law; and

WHEREAS, unless a waiver or exemption is obtained, the General Provisions Article, Title 45, Subtitle 8, Part I of the *Annotated Code of Maryland* requires that all incorporated municipalities in Maryland have ethics laws as required by the State for their employees and public officials, and regulations issued by the State Ethics Commission contained in Title 19A, subtitle 04 of COMAR outlining the standards for compliance with these requirements, and the regulations include model ethics code provisions for local governments to consider when adopting their laws; and

CAPITALS : Indicate matter added to existing law
[Brackets] : Indicate matter deleted from existing law
Asterisks * * * : Indicate that text is retained from existing law but omitted herein.

MAYOR AND COUNCIL
THE TOWN OF FOREST HEIGHTS
ORDINANCE NO. 04-20

WHEREAS, the State Ethics Commission is responsible for approving or disapproving local governmental ethics codes and will provide technical assistance to local ethics boards and if a municipality changes all or a part of its required ethics law, the amendments must be submitted to the State Ethics Commission for review and approval, but nonetheless, the State Commission does not decide local ethics issues or investigate local officials; and

WHEREAS, at its January 24, 2013 meeting, the State Ethics Commission reviewed an ethics ordinance exemption request submitted on behalf of the Town and thereby granted the Town a partial exemption from the requirement to adopt lobbying provisions as part of the local ethics law, and as a result of said Commission's determination, the Town's previously, voluntarily-enacted ethics ordinance found in Article 14 of the Town Code must now be amended to comply with State law and be further subject to periodic review by the State Ethics Commission; and

WHEREAS, pursuant to the requirements of HB 879 (enacted during the 2017 legislative session) changes that must be adopted for local government to be in compliance with the requirements of Subtitle 8 of the Public Ethics Law or COMAR 19A.04 include: (i) language added to the conflict of interest section covering local elected officials precluded from lobbying for one calendar year after leaving office, and (ii) removal of home addresses from public disclosure for local employees and elected officials on their filings submitted after January 1, 2019; and

WHEREAS, the Mayor and Council finds that it is in the best interest of the Town Government to amend its public ethics ordinance and thereby update the Town's Public Ethics Ordinance to bring it into conformity with State Law.

Section 1.

NOW THEREFORE, BE IT ORDAINED AND ENACTED BY THE MAYOR AND COUNCIL OF THE TOWN OF FOREST HEIGHTS, that Article 14 (Town Public Ethics Ordinance) of the Ordinance Code of the Town of Forest Heights as written herein below is hereby enacted, readopted and amended such that said Ordinance Code and Article shall henceforth read as follows:

ARTICLE 14 – TOWN PUBLIC ETHICS ORDINANCE

* * *

Section 14.4. Conflicts of interest.

CAPITALS	:	Indicate matter added to existing law
[Brackets]	:	Indicate matter deleted from existing law
Asterisks * * *	:	Indicate that text is retained from existing law but omitted herein.

MAYOR AND COUNCIL
THE TOWN OF FOREST HEIGHTS
ORDINANCE NO. 04-20

* * *

(e) Post-employment limitations and restrictions.

(1) A former official or employee may not assist or represent any party other than the Town for compensation in a case, contract, or other specific matter involving the Town if that matter is one in which the former official or employee significantly participated as an official or employee.

(2) Until the conclusion of [the] ONE calendar year [that ends] after the elected official leaves office, a former [~~member of the Town Council or legislative body~~] ELECTED OFFICIAL may not assist or represent another party for compensation in a matter that is the subject of legislative action OF THE COUNCIL.

* * *

(g) Use of prestige of office.

(1) An official or employee may not intentionally use the prestige of office or public position for the private gain of that official or employee or the private gain of another.

(2) This subsection does not prohibit the performance of usual and customary constituent services by an elected Town official without additional compensation.

(3) CONTRIBUTIONS.

(I) AN OFFICIAL, OTHER THAN AN ELECTED OFFICIAL, OR EMPLOYEE MAY NOT USE PUBLIC RESOURCES OR THE TITLE OF THE OFFICIAL OR EMPLOYEE TO SOLICIT A CONTRIBUTION AS THAT TERM IS DEFINED IN THE ELECTION LAW ARTICLE OF THE MARYLAND ANNOTATED CODE.

(II) AN ELECTED OFFICIAL MAY NOT USE PUBLIC RESOURCES TO SOLICIT A CONTRIBUTION AS THAT TERM IS DEFINED IN THE ELECTION LAW ARTICLE OF THE MARYLAND ANNOTATED CODE.

* * *

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MAYOR AND COUNCIL
THE TOWN OF FOREST HEIGHTS
ORDINANCE NO. 04-20

Section 14.5. Financial disclosure by elected officials and candidates.

(a) Applicability; manner of filing; deadlines for elected officials.

(1) This section applies to all Town elected officials and candidates to be Town elected officials.

(2) Except as provided in Subsection (b) of this section, a Town elected official or a candidate to be a Town elected official shall file the financial disclosure statement required under this section:

(I) On a form provided by the Commission;

(II) Under oath or affirmation; and

(III) With the Town Clerk acting for the Commission.

(3) Deadlines for filing statements.

(I) Except as otherwise stated in this subsection, an incumbent Town elected official shall file a financial disclosure statement annually on or before the first Wednesday in February preceding the Town election of each year for the preceding calendar year. SUBJECT TO PARAGRAPH (3) OF SUBSECTION (B) BELOW, REGARDING AN 8 DAY GRACE PERIOD FOR FILING A DISCLOSURE STATEMENT, [A] A seated Councilman serving a term of office that expires nonconcurrently with the Mayor and who wishes to file a certificate of nomination for Mayor pursuant to Section 33-3 of the Town Charter shall file his or her financial disclosure statement [~~no later than~~] AT THE TIME OF the filing of the certificate of nomination prescribed by Section 33-31 of the Town Charter.

(II) An individual who is appointed to fill a vacancy in an office for which a financial disclosure statement is required and who has not already filed a financial disclosure statement shall file a statement for the immediately preceding calendar year within 30 days after appointment.

(III) Individuals leaving office.

(A) An individual who, other than by reason of death, leaves an office for

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MAYOR AND COUNCIL
THE TOWN OF FOREST HEIGHTS

ORDINANCE NO. 04-20

which a statement is required shall file a statement within 60 days after leaving the office.

(B) The statement shall cover:

1. The calendar year immediately preceding the year in which the individual left office, unless a statement covering that year has already been filed by the individual; and
2. The portion of the current calendar year during which the individual held the office.

(b) Candidates to be Town elected officials.

(1) Except for an official who has filed a financial disclosure statement under another provision of this section for the reporting period, a candidate to be an elected Town official shall file a financial disclosure statement required under this section in the year the certificate of nomination is filed, ~~[no later than]~~ AT THE TIME OF the filing of the certificate of nomination as prescribed by Section 33-31 of the Town Charter;

(2) A candidate to be an elected Town official shall file the financial disclosure statement required under this section with the Town Clerk along with the certificate of nomination.

(3) ~~[The Town Clerk may not accept any certificate of nomination unless a financial disclosure statement has been filed in proper form]~~ IF A STATEMENT REQUIRED BY A CANDIDATE IS OVERDUE AND NOT FILED WITHIN 8 DAYS AFTER WRITTEN NOTICE OF THE FAILURE TO FILE IS PROVIDED BY THE TOWN CLERK, THE CANDIDATE IS DEEMED TO HAVE WITHDRAWN THE CANDIDACY.

(4) Within ~~[10]~~ 3 days of the receipt of a financial disclosure statement required under this section, the Town Clerk or Town Board of Elections shall forward the financial disclosure statement to the Town Ethics Commission or the office designated by the Commission.

(c) Public record.

(1) Unless otherwise designated by the Commission or an approved records retention and disposition schedule, the Town Clerk shall maintain all financial disclosure statements filed under this section. FOR STATEMENTS FILED AFTER JANUARY 1,

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MAYOR AND COUNCIL
THE TOWN OF FOREST HEIGHTS

ORDINANCE NO. 04-20

2019, THE COMMISSION OR THE OFFICE DESIGNATED BY THE COMMISSION MAY NOT PROVIDE PUBLIC ACCESS TO AN INDIVIDUAL'S HOME ADDRESS THAT THE INDIVIDUAL HAS DESIGNATED AS THE INDIVIDUAL'S HOME ADDRESS.

(2) Financial disclosure statements shall be made available during normal office hours for examination and copying by the public subject to reasonable fees and administrative procedures established by the Commission or by resolution of Council.

(3) If an individual examines or copies a financial disclosure statement, the Town Clerk acting for the Commission or the office designated by the Commission shall record:

(I) The name [~~and home address~~] of the individual reviewing or copying the statement; and

(II) The name of the person whose financial disclosure statement was examined or copied.

(4) Upon request by the official or employee whose financial disclosure statement was examined or copied, the Town Clerk acting for the Commission or the office designated by the Commission shall provide the official with a copy of the name [~~and home address~~] of the person who reviewed the official's financial disclosure statement.

* * *

(e) Contents of financial disclosure statement.

* * *

(6) Indebtedness to entities doing business with the Town.

(I) A statement filed under this section shall include a schedule of all liabilities, excluding retail credit accounts or customer accounts of Town franchisees, to persons [~~doing business with the Town~~] OR ENTITIES DOING BUSINESS WITH OR REGULATED BY THE INDIVIDUAL'S TOWN UNIT OR DEPARTMENT, owed at any time during the reporting period:

(A) By the individual; or

(B) By a member of the immediate family of the individual if the

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MAYOR AND COUNCIL
THE TOWN OF FOREST HEIGHTS

ORDINANCE NO. 04-20
individual was involved in the transaction giving rise to the liability.

* * *

Section 14.11: Short Title

This ordinance shall be known as the Town Public Ethics Ordinance or Article 14 and may be cited as such.

* * *

Section 2.

AND BE IT FURTHER ORDAINED AND ENACTED, that if any section or part of a section of this Ordinance shall be held invalid by a court of competent jurisdiction, such holding shall not affect the remainder of this Ordinance nor the context in which such section or part of section so held invalid shall appear, except to the extent that an entire section or part of section may be inseparably connected in meaning and effect with the section or part of section to which such holding shall directly apply.

Section 3.

AND BE IT FURTHER ORDAINED AND ENACTED, that any prior ordinances adopting and enacting any substantially similar provision of this newly enacted or amended Article 14 of said Ordinance Code, or any other ordinance or resolution previously adopted pertaining to a subject or subjects embodied by the title of this Ordinance or the provisions found herein shall be deemed repealed and superseded by the provisions of this Ordinance, and should a previously enacted ordinance cover a provision or subject that is not specifically covered by this Ordinance, it shall remain in full force and effect unless it directly conflicts with the express language of this Ordinance.

Section 4.

AND BE IT FURTHER ORDAINED AND ENACTED, that this Ordinance shall take effect thirty (30) calendar days following adoption by the Town Council, having been passed by the required yea and nay votes of the Mayor and Council of the Town of Forest Heights.

Section 5.

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[Brackets] : Indicate matter deleted from existing law
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MAYOR AND COUNCIL

THE TOWN OF FOREST HEIGHTS

ORDINANCE NO. 04-20

AND BE IT FURTHER ORDAINED AND ENACTED, that subject to the publication of such change or correction posted no less than thirty (30) days in a conspicuous place in the Municipal Building, the Town Clerk shall be authorized to correct any non-substantive or typographical errors in this or any other ordinance passed by the Council including but not limited to errors in spelling, or the proper sequence or numbering of the sections or articles contained herein that are to be codified in the Town's Ordinance Code or in any other ordinance subsequently or previously passed by the Council, but this Section shall not be construed to authorize the Town Clerk to revise the latest version of the duly enacted Ordinance Code with any newly adopted provision, language, section or correction having substance, such that said amendments would have the force of law, without approval of the Council by ordinance.

Section 6.

AND BE IT FURTHER ORDAINED AND ENACTED, that upon passage, the Town Clerk, or in her absence, the Town Administrator shall cause to be published a summary of this Ordinance at least twice in the town newsletter or a newspaper having general circulation within the Town of Forest Heights.

HAVING BEEN INTRODUCED AND HAVING BEEN READ, as an ordinance and passed by a yea and nay vote of the Mayor and Council of the Town of Forest Heights with the affirmative votes of at least four (4) of the members of the legislative body including the Mayor as indicated below at a Public Meeting of The Mayor and Council of the Town of Forest Heights held on this ___ day of _____ 2020, at _____ o'clock __.m., in the Municipal Building in Forest Heights, Maryland.

<u>ROLL CALL VOTE</u>	<u>YE/NAY/ABSTAIN/ABSENT</u>
MUHAMMAD	_____
BARNES	_____
HINES	_____
KENNEDY	_____
ATKINSON	_____
NOBLE	_____
WASHINGTON	_____

-
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MAYOR AND COUNCIL
THE TOWN OF FOREST HEIGHTS
ORDINANCE NO. 04-20

I HEREBY CERTIFY that the above Ordinance No. __-20 was passed by the required ye and nay vote of the Mayor and Council of the Town of Forest Heights on the ___ day of _____ 2020.

ATTEST:

THE TOWN OF FOREST HEIGHTS

Sherletta Hawkins, Town Clerk

By: _____
Habeeb-Ullah Muhammad, Mayor

By: _____
Calvin Washington, Council President

CERTIFICATION

I HEREBY CERTIFY that following its passage, a summary of this Ordinance No. __-20 has been published at least twice in the Town newsletter or a newspaper having general circulation in the Town of Forest Heights and that an executed copy of this ordinance has been delivered to General Code, LLC for codification.

Date: _____

Sherletta Hawkins, Town Clerk

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MAYOR AND COUNCIL
THE TOWN OF FOREST HEIGHTS
ORDINANCE NO. 04-20

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE TOWN OF FOREST HEIGHTS, MARYLAND AMENDING ARTICLE 14 (TOWN PUBLIC ETHICS ORDINANCE) OF THE TOWN ORDINANCE CODE, BY AMENDING SECTIONS 14.4 (CONFLICTS OF INTEREST); AND 14.5 (FINANCIAL DISCLOSURE BY ELECTED OFFICIALS AND CANDIDATES) TO APPROVE CERTAIN CHANGES MADE THERETO CONSISTENT WITH THE REQUIREMENTS OF HB 879, (ENACTED DURING THE 2017 LEGISLATIVE SESSION), INCLUDING CERTAIN CHANGES THAT MUST BE ADOPTED FOR A LOCAL GOVERNMENT TO BE IN COMPLIANCE WITH THE REQUIREMENTS OF SUBTITLE 8 OF THE PUBLIC ETHICS LAW OR COMAR 19A.04 SUCH AS (I) LANGUAGE ADDED TO THE CONFLICT OF INTEREST SECTION COVERING LOCAL ELECTED OFFICIALS PRECLUDED FROM LOBBYING FOR ONE CALENDAR YEAR AFTER LEAVING OFFICE, AND (II) REMOVAL OF HOME ADDRESSES FROM PUBLIC DISCLOSURE FOR LOCAL EMPLOYEES AND ELECTED OFFICIALS ON THEIR FILINGS SUBMITTED AFTER JANUARY 1, 2019 AND CERTAIN OTHER DISCRETIONARY CHANGES; AND GENERALLY RELATING TO THE TOWN'S PUBLIC ETHICS LAW.

Introduced By: Mayor Habeeb-Ullah Muhammad

WHEREAS, during the 2010 legislative session, the General Assembly of Maryland enacted legislation mandating required changes in local ethics ordinances that include: (1) adopting conflict of interest and financial disclosure provisions for elected municipal officials that are equivalent to or exceed the State's, (2) requiring that local elected officials must file a financial disclosure statement complying with said provisions, (3) requiring the local ethics commission to certify to the State Ethics Commission on or before October 1 of each year that the municipal corporation is in compliance with the requirements for elected local officials, and (4) requiring that candidates for election also must comply with the financial disclosure requirements of the law; and

WHEREAS, unless a waiver or exemption is obtained, the General Provisions Article, Title 15, Subtitle 8, Part I of the *Annotated Code of Maryland* requires that all incorporated municipalities in Maryland have ethics laws as required by the State for their employees and public officials, and regulations issued by the State Ethics Commission contained in Title 19A, subtitle 04 of COMAR outlining the standards for compliance with these requirements, and the regulations include model ethics code provisions for local governments to consider when adopting their laws; and

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MAYOR AND COUNCIL
THE TOWN OF FOREST HEIGHTS
ORDINANCE NO. 04-20

WHEREAS, the State Ethics Commission is responsible for approving or disapproving local governmental ethics codes and will provide technical assistance to local ethics boards and if a municipality changes all or a part of its required ethics law, the amendments must be submitted to the State Ethics Commission for review and approval, but nonetheless, the State Commission does not decide local ethics issues or investigate local officials; and

WHEREAS, at its January 24, 2013 meeting, the State Ethics Commission reviewed an ethics ordinance exemption request submitted on behalf of the Town and thereby granted the Town a partial exemption from the requirement to adopt lobbying provisions as part of the local ethics law, and as a result of said Commission's determination, the Town's previously, voluntarily-enacted ethics ordinance found in Article 14 of the Town Code must now be amended to comply with State law and be further subject to periodic review by the State Ethics Commission; and

WHEREAS, pursuant to the requirements of HB 879 (enacted during the 2017 legislative session) changes that must be adopted for local government to be in compliance with the requirements of Subtitle 8 of the Public Ethics Law or COMAR 19A.04 include: (i) language added to the conflict of interest section covering local elected officials precluded from lobbying for one calendar year after leaving office, and (ii) removal of home addresses from public disclosure for local employees and elected officials on their filings submitted after January 1, 2019; and

WHEREAS, the Mayor and Council finds that it is in the best interest of the Town Government to amend its public ethics ordinance and thereby update the Town's Public Ethics Ordinance to bring it into conformity with State Law.

Section 1.

NOW THEREFORE, BE IT ORDAINED AND ENACTED BY THE MAYOR AND COUNCIL OF THE TOWN OF FOREST HEIGHTS, that Article 14 (Town Public Ethics Ordinance) of the Ordinance Code of the Town of Forest Heights as written herein below is hereby enacted, readopted and amended such that said Ordinance Code and Article shall henceforth read as follows:

ARTICLE 14 – TOWN PUBLIC ETHICS ORDINANCE

* * *

Section 14.4. Conflicts of interest.

CAPITALS	:	Indicate matter added to existing law
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MAYOR AND COUNCIL
THE TOWN OF FOREST HEIGHTS
ORDINANCE NO. 04-20

* * *

(e) Post-employment limitations and restrictions.

(1) A former official or employee may not assist or represent any party other than the Town for compensation in a case, contract, or other specific matter involving the Town if that matter is one in which the former official or employee significantly participated as an official or employee.

(2) Until the conclusion of ~~[the]~~ ONE calendar year ~~[that ends]~~ after the elected official leaves office, a former ~~[member of the Town Council or legislative body]~~ ELECTED OFFICIAL may not assist or represent another party for compensation in a matter that is the subject of legislative action OF THE COUNCIL.

* * *

(g) Use of prestige of office.

(1) An official or employee may not intentionally use the prestige of office or public position for the private gain of that official or employee or the private gain of another.

(2) This subsection does not prohibit the performance of usual and customary constituent services by an elected Town official without additional compensation.

(3) CONTRIBUTIONS.

(I) AN OFFICIAL, OTHER THAN AN ELECTED OFFICIAL, OR EMPLOYEE MAY NOT USE PUBLIC RESOURCES OR THE TITLE OF THE OFFICIAL OR EMPLOYEE TO SOLICIT A CONTRIBUTION AS THAT TERM IS DEFINED IN THE ELECTION LAW ARTICLE OF THE MARYLAND ANNOTATED CODE.

(II) AN ELECTED OFFICIAL MAY NOT USE PUBLIC RESOURCES TO SOLICIT A CONTRIBUTION AS THAT TERM IS DEFINED IN THE ELECTION LAW ARTICLE OF THE MARYLAND ANNOTATED CODE.

* * *

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MAYOR AND COUNCIL
THE TOWN OF FOREST HEIGHTS
ORDINANCE NO. 04-20

Section 14.5. Financial disclosure by elected officials and candidates.

(a) Applicability; manner of filing; deadlines for elected officials.

(1) This section applies to all Town elected officials and candidates to be Town elected officials.

(2) Except as provided in Subsection (b) of this section, a Town elected official or a candidate to be a Town elected official shall file the financial disclosure statement required under this section:

(I) On a form provided by the Commission;

(II) Under oath or affirmation; and

(III) With the Town Clerk acting for the Commission.

(3) Deadlines for filing statements.

(I) Except as otherwise stated in this subsection, an incumbent Town elected official shall file a financial disclosure statement annually on or before the first Wednesday in February preceding the Town election of each year for the preceding calendar year. SUBJECT TO PARAGRAPH (3) OF SUBSECTION (B) BELOW, REGARDING AN 8 DAY GRACE PERIOD FOR FILING A DISCLOSURE STATEMENT, [A] A seated Councilman serving a term of office that expires nonconcurrently with the Mayor and who wishes to file a certificate of nomination for Mayor pursuant to Section 33-3 of the Town Charter shall file his or her financial disclosure statement [~~no later than~~] AT THE TIME OF the filing of the certificate of nomination prescribed by Section 33-31 of the Town Charter.

(II) An individual who is appointed to fill a vacancy in an office for which a financial disclosure statement is required and who has not already filed a financial disclosure statement shall file a statement for the immediately preceding calendar year within 30 days after appointment.

(III) Individuals leaving office.

(A) An individual who, other than by reason of death, leaves an office for

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MAYOR AND COUNCIL

THE TOWN OF FOREST HEIGHTS

ORDINANCE NO. 04-20

which a statement is required shall file a statement within 60 days after leaving the office.

(B) The statement shall cover:

1. The calendar year immediately preceding the year in which the individual left office, unless a statement covering that year has already been filed by the individual; and
2. The portion of the current calendar year during which the individual held the office.

(b) Candidates to be Town elected officials.

(1) Except for an official who has filed a financial disclosure statement under another provision of this section for the reporting period, a candidate to be an elected Town official shall file a financial disclosure statement required under this section in the year the certificate of nomination is filed, ~~[no later than]~~ AT THE TIME OF the filing of the certificate of nomination as prescribed by Section 33-31 of the Town Charter;

(2) A candidate to be an elected Town official shall file the financial disclosure statement required under this section with the Town Clerk along with the certificate of nomination.

(3) ~~[The Town Clerk may not accept any certificate of nomination unless a financial disclosure statement has been filed in proper form]~~ IF A STATEMENT REQUIRED BY A CANDIDATE IS OVERDUE AND NOT FILED WITHIN 8 DAYS AFTER WRITTEN NOTICE OF THE FAILURE TO FILE IS PROVIDED BY THE TOWN CLERK, THE CANDIDATE IS DEEMED TO HAVE WITHDRAWN THE CANDIDACY.

(4) Within ~~[10]~~ 3 days of the receipt of a financial disclosure statement required under this section, the Town Clerk or Town Board of Elections shall forward the financial disclosure statement to the Town Ethics Commission or the office designated by the Commission.

(c) Public record.

(1) Unless otherwise designated by the Commission or an approved records retention and disposition schedule, the Town Clerk shall maintain all financial disclosure statements filed under this section. FOR STATEMENTS FILED AFTER JANUARY 1,

CAPITALS : Indicate matter added to existing law
[Brackets] : Indicate matter deleted from existing law
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MAYOR AND COUNCIL
THE TOWN OF FOREST HEIGHTS

ORDINANCE NO. 04-20

2019, THE COMMISSION OR THE OFFICE DESIGNATED BY THE COMMISSION MAY NOT PROVIDE PUBLIC ACCESS TO AN INDIVIDUAL'S HOME ADDRESS THAT THE INDIVIDUAL HAS DESIGNATED AS THE INDIVIDUAL'S HOME ADDRESS.

(2) Financial disclosure statements shall be made available during normal office hours for examination and copying by the public subject to reasonable fees and administrative procedures established by the Commission or by resolution of Council.

(3) If an individual examines or copies a financial disclosure statement, the Town Clerk acting for the Commission or the office designated by the Commission shall record:

(I) The name [~~and home address~~] of the individual reviewing or copying the statement; and

(II) The name of the person whose financial disclosure statement was examined or copied.

(4) Upon request by the official or employee whose financial disclosure statement was examined or copied, the Town Clerk acting for the Commission or the office designated by the Commission shall provide the official with a copy of the name [~~and home address~~] of the person who reviewed the official's financial disclosure statement.

* * *

(e) Contents of financial disclosure statement.

* * *

(6) Indebtedness to entities doing business with the Town.

(I) A statement filed under this section shall include a schedule of all liabilities, excluding retail credit accounts or customer accounts of Town franchisees, to persons [~~doing business with the Town~~] OR ENTITIES DOING BUSINESS WITH OR REGULATED BY THE INDIVIDUAL'S TOWN UNIT OR DEPARTMENT, owed at any time during the reporting period:

(A) By the individual; or

(B) By a member of the immediate family of the individual if the

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MAYOR AND COUNCIL
THE TOWN OF FOREST HEIGHTS

ORDINANCE NO. 04-20
individual was involved in the transaction giving rise to the liability.

* * *

Section 14.11: Short Title

This ordinance shall be known as the Town Public Ethics Ordinance or Article 14 and may be cited as such.

* * *

Section 2.

AND BE IT FURTHER ORDAINED AND ENACTED, that if any section or part of a section of this Ordinance shall be held invalid by a court of competent jurisdiction, such holding shall not affect the remainder of this Ordinance nor the context in which such section or part of section so held invalid shall appear, except to the extent that an entire section or part of section may be inseparably connected in meaning and effect with the section or part of section to which such holding shall directly apply.

Section 3.

AND BE IT FURTHER ORDAINED AND ENACTED, that any prior ordinances adopting and enacting any substantially similar provision of this newly enacted or amended Article 14 of said Ordinance Code, or any other ordinance or resolution previously adopted pertaining to a subject or subjects embodied by the title of this Ordinance or the provisions found herein shall be deemed repealed and superseded by the provisions of this Ordinance, and should a previously enacted ordinance cover a provision or subject that is not specifically covered by this Ordinance, it shall remain in full force and effect unless it directly conflicts with the express language of this Ordinance.

Section 4.

AND BE IT FURTHER ORDAINED AND ENACTED, that this Ordinance shall take effect thirty (30) calendar days following adoption by the Town Council, having been passed by the required yea and nay votes of the Mayor and Council of the Town of Forest Heights.

Section 5.

CAPITALS	:	Indicate matter added to existing law
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MAYOR AND COUNCIL

THE TOWN OF FOREST HEIGHTS

ORDINANCE NO. 04-20

AND BE IT FURTHER ORDAINED AND ENACTED, that subject to the publication of such change or correction posted no less than thirty (30) days in a conspicuous place in the Municipal Building, the Town Clerk shall be authorized to correct any non-substantive or typographical errors in this or any other ordinance passed by the Council including but not limited to errors in spelling, or the proper sequence or numbering of the sections or articles contained herein that are to be codified in the Town's Ordinance Code or in any other ordinance subsequently or previously passed by the Council, but this Section shall not be construed to authorize the Town Clerk to revise the latest version of the duly enacted Ordinance Code with any newly adopted provision, language, section or correction having substance, such that said amendments would have the force of law, without approval of the Council by ordinance.

Section 6.

AND BE IT FURTHER ORDAINED AND ENACTED, that upon passage, the Town Clerk, or in her absence, the Town Administrator shall cause to be published a summary of this Ordinance at least twice in the town newsletter or a newspaper having general circulation within the Town of Forest Heights.

HAVING BEEN INTRODUCED AND HAVING BEEN READ, as an ordinance and passed by a yea and nay vote of the Mayor and Council of the Town of Forest Heights with the affirmative votes of at least four (4) of the members of the legislative body including the Mayor as indicated below at a Public Meeting of The Mayor and Council of the Town of Forest Heights held on this ___ day of _____ 2020, at _____ o'clock __.m., in the Municipal Building in Forest Heights, Maryland.

<u>ROLL CALL VOTE</u>	<u>YEA/NAY/ABSTAIN/ABSENT</u>
MUHAMMAD	_____
BARNES	_____
HINES	_____
KENNEDY	_____
ATKINSON	_____
NOBLE	_____
WASHINGTON	_____

-
- CAPITALS : Indicate matter added to existing law
 - [Brackets] : Indicate matter deleted from existing law
 - Asterisks * * * : Indicate that text is retained from existing law but omitted herein.

MAYOR AND COUNCIL
THE TOWN OF FOREST HEIGHTS
ORDINANCE NO. 04-20

I **HEREBY CERTIFY** that the above Ordinance No. __-20 was passed by the required yea and nay vote of the Mayor and Council of the Town of Forest Heights on the ___ day of _____ 2020.

ATTEST:

THE TOWN OF FOREST HEIGHTS

Sherletta Hawkins, Town Clerk

By: _____
Habeeb-Ullah Muhammad, Mayor

By: _____
Calvin Washington, Council President

CERTIFICATION

I **HEREBY CERTIFY** that following its passage, a summary of this Ordinance No. __-20 has been published at least twice in the Town newsletter or a newspaper having general circulation in the Town of Forest Heights and that an executed copy of this ordinance has been delivered to General Code, LLC for codification.

Date: _____

Sherletta Hawkins, Town Clerk

CAPITALS : Indicate matter added to existing law
[Brackets] : Indicate matter deleted from existing law
Asterisks * * * : Indicate that text is retained from existing law but omitted herein.



Town of Forest Heights
5508 ARAPAHOE DRIVE
FOREST HEIGHTS, MARYLAND 20745-1998
(301) 839-1030 Fax (301) 839-9236

Habeeb-Ullah Muhammad
Mayor

MEMORANDUM

To: The Mayor and Council

From: Leittia Vaughn
Treasurer

Date: November 1, 2020

Re: FY 2021 Budget Amendment – Speed Camera Enforcement Unit

Attachment 1 is provided as detail to support the requested increases which are incorporated in summary in Resolution 64 - 20 for the Automated Speed Enforcement Program. Please note that detail line items, along with amounts adopted by the Council, will be updated in the budget line item schedule after the adoption of Resolution 64-20.

Attachment 1

The following recommendations have been made to increase the Speed Camera appropriation; more specifically the expenses which are directly related to the administration of the Automated Speed Enforcement Program:

Salary – Police Lieutenant	\$ 41,600.00
Salary – Police Corporal	\$ 9,000.00 (addition to a budgeted position)
Salary – Police Officer	\$ 29,500.00
Salary – Police Officer	\$ 29,500.00
Salary – Admin Clerk	\$ 26,700.00
Overtime	\$ 20,000.00
Uniforms	\$ 15,000.00
Gasoline	\$ 10,000.00
Vehicle Repair	\$ 7,000.00
Office Supplies	\$ 22,000.00
Communication Equipment	\$ 3,300.00
Law Enforcement Equip – Capital	\$296,000.00
Training/Dues/Meetings/Conv	\$ 5,000.00
Supplies	\$ 7,000.00
Mobile Data Computers	\$ 2,500.00
Telephone	\$ 2,500.00
Attorney	\$ 5,000.00
Weapons and Ammunition	\$ 4,600.00
Substance Abuse Testing	\$ 1,500.00
Total	<u>\$537,700.00</u>

**MAYOR AND COUNCIL
THE TOWN OF FOREST HEIGHTS**

RESOLUTION 63 - 20 Fiscal Year 2020 Budget Amendment

INTRODUCED BY: Mayor Habeeb-Ullah Muhammad

A resolution to amend sums and amounts for the Fiscal Year beginning July 1, 2019 and ending June 30, 2020.

Section 1. The general purpose of the Resolution is to amend sums and amounts appropriated for the 2019 - 2020 Budget of the Town of Forest Heights, Maryland in the following areas of the General Fund.

Section 2. BE IT RESOLVED by the Mayor and Town Council of the Town of Forest Heights, Maryland that the sums and amounts appropriated are hereby amended for the Fiscal Year beginning July 1, 2019 and ending June 30, 2020, to defray expenses and operations costs for the Town of Forest Heights as follows:

NOW, BE IT RESOLVED, that Revenue line item 6127 Cares Act Grant be added in the amount of \$20,645. and that Expenditure line item 8049 Cares Act Grant be added in the amount of \$20,645.

REVENUES

GENERAL FUND REVENUES

Town Real Estate Taxes - Noncommercial	\$936,668.00	
Town Real Estate Taxes - Commercial	\$63,128.00	
Town Real Estate Taxes – Rented Residential	\$99,894.00	
Income Taxes	\$210,300.00	
Other Taxes	\$84,000.00	
Trash Fee	\$164,149.00	
INTERGOVERNMENT	\$800,985.00	821,630.00
LICENSES & PERMITS	\$13,700.00	
TOWN SERVICES	\$8,596.00	
SPEED CAMERA	\$1,480,000.00	
OTHER REVENUES	\$180,886.00	
OTHER FINANCING	\$1,000,000.00	
FUND BALANCE	\$2,377,268.00	
TOTAL BUDGETED REVENUES	\$7,419,574.00	\$7,440,219.00

**MAYOR AND COUNCIL
THE TOWN OF FOREST HEIGHTS**

RESOLUTION 63 - 20 Fiscal Year 2020 Budget Amendment

EXPENDITURES

GENERAL GOVERNMENT	\$70,160.00	
ADMINISTRATION	\$324,620.00	
NON-DEPARTMENTAL	\$240,654.00	
PUBLIC SAFETY	\$1,121,856.00	
PUBLIC WORKS	\$422,540.00	
SPEED CAMERA		
Direct Speed Camera Cost	\$780,935.00	
State Revenue	\$175,000.00	
Allowable Expenses	\$15,200.00	
STREET IMPROVEMENTS	\$802,154.00	
TRASH SERVICES EXPENSE	\$170,909.00	
CAPITAL IMPROVEMENTS	\$404,641.00	
MUNICIPAL BUILDING EXPENSE	\$412,980.00	
STREET LIGHTING EXPENSE	\$42,000.00	
TOTAL SPECIAL PROGRAM EXPENSE	\$46,325.00	
GRANTS – RESTRICTED FUNDING	\$479,200.00	\$499,845.00
FUND BALANCE	\$1,910,400.00	
 TOTAL BUDGETED EXPENDITURES	 \$7,419,574.00	 \$7,440,219.00

AND BE IT FURTHER RESOLVED, that this Resolution shall take effect immediately upon passage.

PASSED this ___ day of November 2020.

<u>ROLL CALL VOTE</u>	<u>YEA/NAY/ABSTAIN/ABSENT</u>
MUHAMMAD	_____
BARNES	_____
HINES	_____
KENNEDY II	_____
ATKINSON	_____
NOBLE	_____
WASHINGTON	_____

**MAYOR AND COUNCIL
THE TOWN OF FOREST HEIGHTS**

RESOLUTION 63 - 20 Fiscal Year 2020 Budget Amendment

I HEREBY CERTIFY that the above Resolution 63 - 20 was passed by the required yea and nay vote of the Mayor and Council of Forest Heights on the ____ day of November 2020.

ATTEST:

THE TOWN OF FOREST HEIGHTS

Sherletta Hawkins, Town Clerk

By: _____
Habeeb-Ullah Muhammad, Mayor

By: _____
Calvin Washington, Council President

**MAYOR AND COUNCIL
THE TOWN OF FOREST HEIGHTS**

RESOLUTION 64 - 20 – Fiscal Year 2021 Budget Amendment

INTRODUCED BY: Mayor Habeeb-Ullah Muhammad

A resolution to amend sums and amounts for the Fiscal Year beginning July 1, 2020 and ending June 30, 2021.

Section 1. The general purpose of the Resolution is to amend sums and amounts appropriated for the 2020 - 2021 Budget of the Town of Forest Heights, Maryland in the following areas of the General Fund.

Section 2. BE IT RESOLVED by the Mayor and Town Council of the Town of Forest Heights, Maryland that the sums and amounts appropriated are hereby amended for the Fiscal Year beginning July 1, 2020 and ending June 30, 2021, to defray expenses and operations costs for the Town of Forest Heights as follows:

NOW, BE IT RESOLVED, that Revenue line item 6020 GOCCP Retention and Recruitment Grant be added in the amount of \$13,500. and that Expenditure line item 7066 Uniform Issue be increased in the amount of \$6,000. and that line item 7076 Supplies and Miscellaneous Expense be increased in the amount of \$7,500.; that Revenue line item 6127 Cares Act Grant be added in the amount of \$136,355. and that Expenditure line item 8049 Cares Act Grant be added in the amount of \$136,355.; that Revenue line item 6037 Speed Camera Fund be increased in the amount of \$537,700. and that the Expenditure Appropriation for the Speed Camera – Direct Cost be increased in the amount of \$537,700. to reflect expenditures incorporated in Attachment 1 of the provided Budget Memo; and Expenditure line item 7029 General Liability Insurance be increased in the amount of \$10,000. and Expenditure line item 9999 Unassigned Fund Balance be decreased in the amount of \$10,000.

REVENUES

GENERAL FUND REVENUES

Town Real Estate Taxes - Noncommercial	\$796,800.00	
Town Real Estate Taxes - Commercial	\$43,300.00	
Town Real Estate Taxes – Rented Residential	\$93,300.00	
Income Taxes	\$180,700.00	
Other Taxes	\$80,000.00	
Trash Fee	\$187,935.00	
INTERGOVERNMENT	\$632,839.00	\$782,694.00
LICENSES & PERMITS	\$14,800.00	
TOWN SERVICES	\$8,596.00	

**MAYOR AND COUNCIL
THE TOWN OF FOREST HEIGHTS**

RESOLUTION 64 - 20 – Fiscal Year 2021 Budget Amendment

SPEED CAMERA	\$1,100,000.00	\$1,637,700.00
OTHER REVENUES	\$115,650.00	
OTHER FINANCING	\$853,613.25	
FUND BALANCE	\$2,377,268.00	
TOTAL BUDGETED REVENUES	\$6,484,801.25	\$7,172,356.25

EXPENDITURES

GENERAL GOVERNMENT	\$68,845.00	
ADMINISTRATION	\$332,035.00	
NON-DEPARTMENTAL	\$240,300.00	\$250,300.00
PUBLIC SAFETY	\$1,054,845.00	\$1,068,345.00
PUBLIC WORKS	\$374,834.00	
SPEED CAMERA		
Direct Speed Camera Cost	\$780,835.00	\$1,318,535.00
State Revenue	\$175,000.00	
Allowable Expenses	\$15,200.00	
STREET IMPROVEMENTS	\$595,182.00	
TRASH SERVICES EXPENSE	\$195,310.00	
CAPITAL IMPROVEMENTS	\$447,500.00	
MUNICIPAL BUILDING EXPENSE	\$427,600.00	
STREET LIGHTING EXPENSE	\$42,000.00	
TOTAL SPECIAL PROGRAM EXPENSE	\$32,250.00	
GRANTS – RESTRICTED FUNDING	\$370,528.50	\$506,883.50
FUND BALANCE	\$1,332,536.75	\$1,322,536.75
TOTAL BUDGETED EXPENDITURES	\$6,484,801.25	\$7,172,356.25

AND BE IT FURTHER RESOLVED, that this Resolution shall take effect immediately upon passage.

PASSED this ___ day of November 2020.

<u>ROLL CALL VOTE</u>	<u>YEA/NAY/ABSTAIN/ABSENT</u>
MUHAMMAD	_____
BARNES	_____
HINES	_____

**MAYOR AND COUNCIL
THE TOWN OF FOREST HEIGHTS**

RESOLUTION 64 - 20 – Fiscal Year 2021 Budget Amendment

KENNEDY II	_____
ATKINSON	_____
NOBLE	_____
WASHINGTON	_____

I HEREBY CERTIFY that the above Resolution 64 - 20 was passed by the required yea and nay vote of the Mayor and Council of Forest Heights on the ____ day of November 2020.

ATTEST:

THE TOWN OF FOREST HEIGHTS

Sherletta Hawkins, Town Clerk

By: _____
Habeeb-Ullah Muhammad, Mayor

By: _____
Calvin Washington, Council President