



**THE AUDIT SERVICES YOU
WANT FROM A FIRM WITH
MEMBERSHIP ORGANIZATION
EXPERTISE**

BOTANICAL SOCIETY OF AMERICA

BKD
CPAs & Advisors

January 23, 2019

Ms. Heather Cacanindin

Executive Director
Botanical Society of America
4344 Shaw Boulevard
St. Louis, MO 63110

DEAR MS. CACANINDIN:

As the Botanical Society of America (BSA) works to support initiatives related to botany, you also face ongoing issues specific to membership organizations. These include pressure to enhance visibility, obtain funding and maintain compliance with governmental regulations. You need a CPA and advisory firm with extensive not-for-profit and membership organization experience. That's where BKD CPAs & Advisors comes in. We work with approximately 1,700 not-for-profits, including hundreds of membership organizations, across the country, so we understand the challenges you may be facing right now and in the future. We can provide strategies to help BSA not only meet reporting requirements for federal funding but also help you gain operational insights and provide best practice recommendations regarding a variety of organizational issues, such as budgeting and documentation of policies, procedures and internal controls.

With the opportunities and challenges that lie ahead for BSA, it's important to work with a team of advisors that can help you meet your current and future needs. Providing personal attention and frequent communication to our clients is what drives us—and delivering value beyond the basic service approach is among our top priorities. Consider the following key benefits BKD offers:

- ▶ Significant experience with not-for-profit and membership organizations nationwide
- ▶ An audit approach focused on providing value
- ▶ A strong background in Single Audits

We appreciated discussing this opportunity with you recently. Based on that conversation, we believe our proposal will help you select our firm for timely, efficient and objective services delivered by experienced professionals. We will call you soon to answer questions you may have about this proposal, or you may reach us at 314.231.5544 or by email as provided below.

Sincerely,



Donna M. Doerhoff, CPA, CFE
Partner
ddoerhoff@bkd.com



Elizabeth A. Knysak, CPA
Managing Director
bknysak@bkd.com

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EXECUTIVE SUMMARY

Your audit needs may not always top your list of daily considerations, but having financial statements with an audit opinion can help the Botanical Society of America (BSA) maintain credibility with both members and funders. If your organization and financial house aren't in order, granting agencies may have concerns about awarding you funding. It's important you have a reputable firm's name on your financials. Look no further than BKD CPAs & Advisors.

Our work with approximately 450 membership organizations nationwide means we can help BSA strategize for growth as your needs continue to change. When working with BKD, you can expect the following:

- ▶ High-quality, cost-effective professional services to help you demonstrate transparency and sound fiscal stewardship
- ▶ A reputable firm with substantial resources dedicated to understanding your specific operating environment
- ▶ Timely services to help you withstand scrutiny from granting agencies and members
- ▶ Strategies to help you improve operational efficiency and better identify and mitigate risk

There's a difference between an accountant and a trusted advisor. As accountants, we're ready to complete your requested services per your established deadlines. That isn't enough, though—we believe there's more we can offer you. As trusted advisors, we want to share pertinent industry and regulatory updates that may directly affect your bottom line throughout the year and recommend solutions for challenges yet to be seen. This proactive methodology is a hallmark of our unmatched client service standards and what BSA can and should expect from us.

SOLUTIONS FOR BSA

BSA has requested information and a fee quote for the following professional services:

- ▶ Financial Statement Audit in Accordance with *Government Auditing Standards* & Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance)
- ▶ Additional Consulting Services

Please see the Scope of Work section beginning on page five for a detailed explanation of our audit service approach and the Budget section beginning on page nine for our consulting service approach.

THINKING OF YOUR FUTURE

In addition to the BSA's requested services, BKD has an extensive range of service offerings that may be relevant to you now or in the future. If the need arises, our Additional Services for Membership Organizations could benefit BSA.

If you would like additional information about these options, please see the Appendix or contact Beth Knysak at your convenience.

experience
expertise

"As a not-for-profit, we are in a fishbowl, so it is important to do things accurately for our board and donors. It is nice to have the backing of a firm like BKD that understands our financial statement nuances and provides a comfort level with thoroughness and attention to detail."

Kim White

Controller
Big Brothers Big Sisters of
Colorado, Inc.
Denver, Colorado

WHY CHOOSE BKD

DELIVERING VALUE

It is important to monitor expenditures and receive exceptional value for your investments. However, informed consumers understand value is about more than just price. Value from a professional CPA and advisory firm is about the quality of the work and the merit of the advice. Expect BKD's work to be accurate and insightful. We stand behind it. Our Public Company Accounting Oversight Board inspections and American Institute of CPAs (AICPA) peer reviews demonstrate the firm's record of excellence.



As evidenced by our inclusion in the **INSIDE Public Accounting** Best of the Best Firms list for the last eight years, we also offer long-term consistency, exceptional performance and a national network of support and resources. BKD is large enough to help BSA address a variety of financial issues. At the same time, we pride ourselves on hard work and low overhead, which keep our fees competitive. With our reputation, size, service and experience, you can consider us a good value.

MEMBERSHIP ORGANIZATION EXPERIENCE

BKD works with membership organizations across the country, including professional societies and trade associations. Our understanding of the specific challenges membership organizations face can help BSA demonstrate transparency and increase operational efficiency, allowing you to focus on providing value to existing and potential members. BKD advisors also participate in industry groups, such as the American Society of Association Executives, to help keep you apprised of issues and trends affecting membership organizations.

SIGNIFICANT SINGLE AUDIT EXPERIENCE

According to data compiled by the Office of Management and Budget (OMB) via the Federal Audit Clearinghouse, BKD is the fifth-largest provider of Single Audits among CPA firms, performing approximately 440 annually. With approximately one-third of our not-for-profit and governmental clients receiving federal funding, we are familiar with the requirements for allowability of both direct and indirect costs, as well as the ability for the recipient to charge an administrative cost allowance under many federal programs.

To help streamline the Single Audit process, we use audit programs and checklists designed specifically for the federal programs we audit. Our firm maintains a database of audit programs tailored to the grants and other federal programs commonly found in not-for-profit organizations. Our extensive experience providing compliance testing in accordance with OMB requirements can help us properly perform and submit BSA's Single Audit on time.

experience
responsiveness

"I have worked with BKD for seven and a half years and have had an excellent working relationship with them. They are very good about responding to my emails or phone calls in a timely manner."

Linda Malfait

Benefit Administrator
Painters Local #109 Health & Wellness
Omaha, Nebraska

NATIONAL NOT-FOR-PROFIT EXPERTISE

Effective resource management, increased regulatory pressure and a heightened emphasis on transparency—all are areas not-for-profits must contemplate. How BSA responds to this dynamic environment is important, which is why you need advisors who understand the intrinsic nuances of your industry. As previously mentioned, BKD serves approximately 1,700 not-for-profits across the country, ranging from small private foundations to large international organizations. In fact, we created the BKD Not-for-Profit Center of Excellence, a specialized group of industry leaders who meet regularly to discuss important industry developments, as well as leverage their decades of combined experience to communicate best practices.

AN AUDIT APPROACH WITH YOU IN MIND

While many audits rely on a one-size-fits-all approach, ours is decidedly different. We tailor our testing and procedures based on your unique operations and internal processes. We don't want to spend time in areas that are of little value to BSA. We want to focus on the issues and concerns that matter to you while incorporating an appropriate level of testing that allows us to express a proper opinion on your financial statements. That's why involving BSA in our approach is vital from the planning stages onward.

Tailoring an audit approach also includes confirming we have the right team in place to serve you and working with you on the logistics of our process. We find value in being on site to perform at least significant elements of our audit, but will work with you to consider the timing and the balance of what work is best done remotely and what value we can add by being face-to-face. Tailoring isn't just about the work we do, but how we do it in a way that is effective for you and limits the interruption to your team's other responsibilities.

THOUGHT LEADERSHIP

BKD advisors are serious about reinforcing their positions as thought leaders in the industries they serve. To help keep you informed about emerging issues in your industry, as well as changes in regulations and accounting and tax methods, we provide **BKD Thoughtware**[®] webinars, seminars, tailored training sessions, podcasts and articles. Many of these are eligible for continuing professional education (CPE) credit. Recent topics include:

- ▶▶ Navigating the Guidance on Grants & Contributions
- ▶▶ Automating Business Processes for Efficiency in Not-for-Profit Organizations
- ▶▶ Revenue Recognition: The Countdown Begins for Private Companies & NFPs

We encourage you to view these and a wide array of other resources available on bkd.com.

experience
professionalism

"BKD is very professional, and you can always get ahold of someone if you have any questions."

Shelly Hosch

Secretary/Treasurer
Nebraska Horsemen's Benevolent
& Protective Association
Omaha, Nebraska

UNMATCHED CLIENT SERVICE

You want trusted advisors who will deliver exceptional client service, focus on your needs and take the time to address your unique challenges. BKD understands. We take our commitment so seriously, we penned five standards of unmatched client service and supporting guidelines in **The BKD Experience: Unmatched Client Service**, a book that articulates the firm’s philosophy and sets expectations for serving clients. Our five standards are:

INTEGRITY FIRST

We work hard to do what is right for you. You can rely on us to tell you what you need to hear.

TRUE EXPERTISE

From BKD, you can expect trained, capable staff and a high level of supervision by partners and experienced personnel.

PROFESSIONAL DEMEANOR

You can depend on prepared and attentive advisors to help meet your needs and provide new ideas.

RESPONSIVE RELIABILITY

Accurate and thorough work combined with timely delivery is what you require. At BKD, we do not want it any other way.

PRINCIPLED INNOVATION

We want you to succeed. For BSA, that means looking for new ideas to streamline a process, better document work, train your staff and improve your effectiveness.

You can count on BKD’s commitment to our 5 standards of unmatched client service:



Integrity First



True Expertise



Professional Demeanor



Responsive Reliability



Principled Innovation

bkd.com/5

RFP RESPONSE

For your convenience, we have structured our proposal according to the requirements in your RFP. We believe our proposal will demonstrate our qualifications to serve the BSA.

SCOPE OF WORK

FINANCIAL STATEMENT AUDIT IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS & THE UNIFORM GUIDANCE

What is an Audit?

Auditing standards set the technical requirements for our process, culminating with the expression of our opinion on the presentation of your financial statements. Our audit will be performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

What is an Audit Experience?

While auditor selection should start with evaluating technical competence, it also should extend to your expectations for a service experience. Your audit experience includes how your engagement is managed, how you and your team are treated, the quality and timeliness of communication you receive and your confidence in the results and guidance you receive. We want you to consider our philosophy around independence, integrity and quality, along with our commitment to unmatched client service and the strength of your proposed engagement team.

THE BKD DIFFERENCES THAT MATTER

People

Our people are key components of what differentiates a BKD audit. Through intentional training and our firm culture, our teams integrate a commitment to quality with an appreciation for client needs and expectations. We also bring relevant industry experience, which means you will not be required to train our staff.

Leadership

The engagement executive managing your audit will maintain a high level of involvement with BSA by delegating appropriate tasks to other audit team members as needed while remaining engaged with you and the audit team. Our engagement executives are on site and participate in the supervision and delivery of your audit.

Communication

Challenging matters or simple misunderstandings can arise, and they shouldn't be ignored. While our responsibility is to issue an appropriate opinion on your financial statements, it is important for us to help keep your team informed of issues as they occur and recommend the appropriate solution. Our philosophy is to be courteous and professional, communicate timely and make reasonable requests. We are committed to treating you and your team with openness, candor and respect.

Technology

Technology plays a growing role in our audit as we adopt new tools to enhance our effectiveness and efficiency. We have invested heavily in improving dynamic workflows and increasing our audit data analytics capabilities. Though we use traditional tools such as Excel, we also delve deeper into analytic tools with ACL, unstructured data with Kira and artificial intelligence and trend analysis with MindBridge. These technologies, combined with our secure portal, help improve our results, enhance your experience and increase the insight we can provide.

ONBOARDING & PROJECT MANAGEMENT

Your BKD audit experience starts as soon as you select us. Our priorities include building rapport with your team, developing a deeper understanding of your operations and collaborating with you on the design and expectations of our service relationship. These efforts are part of the BKD Smooth Transition™ approach. The proposal process has provided us with the basics of your organization, but learning more will help us serve you better.

If not already completed, we will finish the details of client acceptance to confirm what we have learned and verify confidential information not already obtained, such as litigation history or other sensitive matters.

We will address various elements of project management with you, including how you will use BKDconnect Client Sites, our secure portal, to exchange and track information, the key dates of our processes and refinements to the details discussed in this proposal. We will schedule the professionals outlined in this proposal and coordinate with your team on details, such as timing of visits to your location and discussions with your leadership.



Proposed Timeline

Engagement Phase	Timing	Team Members
Planning & Interim Procedures	April 2019	Engagement Executive/Manager
Testing Procedures (Fieldwork)	May 2019	Manager/Associate
Presentation to Those Charged with Governance	July 2019	Engagement Executive/Manager

EXECUTING THE AUDIT

Once we have established our overall process and communication plans with you, the detailed work can begin. Key elements of that work include:

Risk Assessment

We will identify and assess risks of material misstatement in your financial statements, including those from potential fraud. Our work is supported by building a strong understanding of your business environment through documents you provide and by gathering information through interviews and tests for significant transaction cycles.

Audit Design

Based on risks identified, we will design an audit approach specific to your organization. This tailoring takes into consideration the uniqueness of your operations, the design of internal controls you have implemented and the nature of financial statement amounts and disclosures. We consider whether matters are truly important (materiality), as well as obtain input about concerns from management and the board of directors to design the tests we will perform.

Gathering Evidence

Once the plan is complete, we will execute the audit through a combination of on- and off-site work performed in accordance with the agreed-upon timeline.

Reviewing the Work

Critical to our process is a review of the team’s work by our engagement executive, as well as a quality review by another executive who is independent from the detailed work. The quality review is designed to improve our deliverable by providing a fresh perspective and reinforcing quality.

Sharing Our Results

We base our audit opinion on the evidence gathered and then communicate our findings. Professional standards drive the content of our opinion and the required communication about any deficiencies and other items we may identify during the audit. Beyond these requirements, we share results formally through our letters and presentations to management and, as requested, the board of directors, as well as opportunities for improvement through conversations during the audit process.

COMPLIANCE AUDIT IN ACCORDANCE WITH THE UNIFORM GUIDANCE

BKD performs hundreds of Single Audits annually, focusing on two objectives: first, an audit of your financial statements and reporting on the Schedule of Expenditures of Federal Awards (SEFA) in accordance with *Government Auditing Standards*, and second, a compliance audit for federal awards expended during the fiscal year in accordance with the Uniform Guidance.

Approximately one-third of our not-for-profit and governmental clients receive federal funding. Our extensive experience with compliance testing in accordance with OMB requirements can help provide BSA with a Single Audit performed properly and submitted on time.

Our Approach

During our audit procedures of federal award programs, we do not simply look for findings to report. We look for opportunities to advise you of more efficient ways to comply with federal regulations to reduce the risks of sanctions or reduced funding. BKD has developed contacts at federal agencies and has been able to work cooperatively with these agencies to help clients resolve or avoid issues.

Entities subject to the Uniform Guidance and *Government Auditing Standards* will benefit from BKD's specially designed audit programs, checklists and database of federal audit programs.

Identification and testing of your federal programs will be performed primarily during interim fieldwork. We have found this to be the most efficient manner in which to perform our audit services when the additional Uniform Guidance requirements are present.

Training Requirements for Single Auditors

BSA can have confidence in BKD auditors' experience in testing federal funding subject to the Uniform Guidance. Our audit professionals are required to receive at least 120 hours of CPE every three years, and for auditors involved with audits performed under *Government Auditing Standards*, this education includes the hours required to comply with *Government Auditing Standards Yellow Book* guidance. Staff members attend a series of core audit and accounting courses over the first four years of their careers. Staff subsequently receive additional training on accounting and auditing for the not-for-profit and governmental environment.

experience
leadership

"BKD's education programs are a great way to stay abreast of regulations and industry news. Their programs also provide opportunities for networking and dialogue with other Not-for-Profit organizations."

David Schapker

Chief Financial Officer

National FFA

Organization/National FFA

Foundation

Indianapolis, Indiana

BROAD AUDIT RISK CONSIDERATIONS

Some risk considerations apply across nearly all of our audits. We pay particular attention to the following items:

Risk of Management Override of Controls

When considering fraud, auditing standards require evaluating the risk that management could override existing controls. We will perform interviews of selected individuals, apply an element of unpredictability in our testing and brainstorm as a team to evaluate risks and possible actions based on our observations. We also will perform journal entry testing, review estimates for bias and significant changes and consider the business rationale for significant unusual transactions.

PROCEDURES & RISKS SPECIFIC TO NOT-FOR-PROFIT

Our work with hundreds of clients in the not-for-profit industry means our advisors are very familiar with organizations similar to the BSA. While no two audits are the same, certain activities are common to not-for-profits. Areas of risk are likely to include:

Cash Management

We will gain an understanding of the cash management process, particularly as it relates to contributions, and confirm balances with third parties.

Investments

Investments (particularly pooled investments) are a significant audit area due to the risks associated with proper and timely valuation.

We employ a variety of audit procedures in this area, including third-party confirmations, obtaining an understanding of management's assessment of fair values, using published sources to challenge valuation and obtaining the System and Organization Controls report of your service provider.

Net Assets

Net assets are an area of greater emphasis for almost every organization that accepts contributions with donor restrictions and that manages funds, particularly if using a pooled approach. Complex donor agreements, allocation methodologies, donor restrictions and required disclosures all make this an area of primary emphasis.

Procedures in this area include analytics, vouching (or cross-indexing to work performed in other areas) significant increases and decreases (including reclassifications and releases) to net assets and the review of documentation supporting the establishment of new accounts.

experience perspective

"As our association has grown, so have the complexities of our business. BKD has been very helpful with answers to questions regarding grants and operations, helping us to demonstrate transparency and best practices as we deliver high-level services to the non-profit sector throughout the state of Colorado."

Jeannie Nims

Chief Financial Officer
Colorado Nonprofit Association
Denver, Colorado

BUDGET

Include a comprehensive budget and schedule with deliverables

Include the number of hours expected to be spent by each level of staff and the approximate rate per hour charged

BKD knows our clients do not like fee surprises. Neither do we. Our goal is to be candid and timely, and we want to answer your questions about fees upfront. We determine our fees by evaluating a number of variables: the complexity of the work, the project's scope, the time we will spend and the level of professional staff needed.

Botanical Society of America

Financial Statement Audit in Accordance with Government Auditing Standards for the Year Ended September 30, 2017

Staff Level	Hours	Hourly Rate	Total
Partner/Managing Director	16	\$350-\$435	\$6,000
Manager	48	\$200-\$320	\$9,600
Staff	52	\$140-\$190	\$8,320
Testing of Beginning Balances (First Year Only)			\$3,500
Less: Professional Discount			(\$5,920)
Subtotal	116		\$21,500

Compliance Audit in Accordance with Uniform Guidance for the Year Ended September 30, 2017

Staff Level	Hours	Hourly Rate	Total
Partner/Managing Director	4	\$350-\$435	\$1,500
Manager	16	\$200-\$320	\$3,200
Staff	24	\$140-\$190	\$3,840
Less: Professional Discount			(\$2,040)
Subtotal	44		\$6,500
Administrative Fee			\$1,120
Total	160		\$29,120

The administrative fee of 4 percent covers items such as copies, postage and other delivery charges, supplies, technology-related costs, such as computer processing, software licensing, research and library databases, and similar expense items. Our fees may increase if our duties or responsibilities change because of new rules, regulations and accounting or auditing standards. We will consult with you should this happen.

Our estimate of fees does not include any time that may be required to address a restatement of the previously compiled or audited financial statements. Accordingly, any such work will be billed based on the quoted hourly rates.

Any work outside the scope of this engagement will be priced according to our hourly rates.

ADDITIONAL CONSULTING SERVICES

As a membership organization, you work hard to provide new and innovative resources and greater transparency to your current member base. With pressures to develop operational efficiencies, maintain financial accountability and keep up to date with changes to accounting regulations, you need trusted advisors who can help you shoulder the load. As a part of the audit process, we will gain an understanding of your internal control structure and documented policies and procedures around governance, recordkeeping and accounting in particular. We strive to provide best practice recommendations including ideas for operational efficiencies as we see them throughout the audit, based on our experience with other not-for-profit entities. Additional consultation regarding budgeting process and revisions of the current Finance and Accounting Policies and Procedures document will be based on number of hours. Once we have additional information as to how much time is requested or needed for those types of consultations, we will discuss a separate fee quote.

Indicate ways you would minimize audit costs

Cost may not be the sole deciding factor for BSA, but we understand it can certainly be a relevant measure during the process of comparing firms. We know from experience that we won't always be the lowest bidder, nor should we be. Our aim isn't to be the highest-cost provider—just the provider that offers the highest value. We welcome the opportunity to demonstrate value for your investment. When you select BKD, you aren't just paying for professional services. We believe you're investing in a long-term working relationship with a trusted advisor committed to providing year-round, quantifiable value. While the deliverables you receive from any firm may look the same, we are convinced BKD can offer higher quality and better results. Consider the following ways we aim to incorporate efficiencies and, in turn, help contain costs:

- ▶▶ We pride ourselves on preventing unwanted surprises related to our services and fees. Fee adjustments due to changes of scope, undisclosed facts or unanticipated challenges may happen, but these situations are discussed as they arise, not when delivering the bill.
- ▶▶ Our fee structure is a thoughtful balance between a deep bench of resources and overall cost management. We travel coach, optimize our office space and manage overhead accordingly.

Our services include activities you may typically be charged extra for or otherwise not receive. We want to discuss matters with you throughout the year. We want to share ideas that help position you for success. We want to answer your questions and help you be prepared. If you make a request beyond our scope, we will discuss costs, but our effort to deliver unmatched client service often already anticipates and accounts for these investments.

QUALIFICATIONS

Describe the experience in performing audit engagements of each individual assigned to the engagement.

Describe the relevant educational background, including certifications, for each individual to be assigned to the engagement.

Describe experience of assigned individuals in performing accounting of programs, activities, and functions funded by government grants.

Describe any specialized skills, training, or background in associations accounting by individuals assigned to the engagement.

■ YOUR BKD ENGAGEMENT TEAM

The most critical factor in providing high-quality service is choosing your engagement team. We take team selection seriously and have the appropriate team of advisors to meet your needs.



Elizabeth A. Knysak, CPA
Managing Director
Engagement Role: Lead Engagement Executive

Beth is the industry leader of BKD National Not-for-Profit Group in St. Louis and Central Illinois, and has 18 years of experience assisting not-for-profit organizations. Her primary focus is on providing audit and attestation services, including special report preparation and consulting projects, for various types of not-for-profit organizations. Beth has performed and supervised numerous audits that include services such as financial statement redesign and technical research.

She assisted in a firmwide initiative to develop a benchmarking tool for BKD's educational institution clients. She also served on the BKD task force assigned to redesign Single Audit planning and testing forms, and she has conducted presentations for internal and external BKD seminars.

Beth is a member of the American Institute of CPAs and Missouri Society of CPAs. She serves on the board and finance committee of Mathews-Dickey Boys' & Girls' Club.

She is a 1998 graduate of University of Georgia, Athens, with a B.S. degree in business administration.



Donna M. Doerhoff, CPA, CFE
Partner
Engagement Role: Concurring Reviewer

Donna has 18 years of experience providing audit and consulting services to not-for-profit entities, as well as manufacturing, distribution and financial services industry clients. She is a Certified Fraud Examiner (CFE) and has assisted with fraud allegation and white-collar crime investigations.

She was an instructor for BKD audit staff training courses and is a frequent presenter for the firm's webinars and conferences.

Donna previously served as national accounting and auditing assistant director in BKD's National Office for six years. She reviewed assurance engagements, provided technical support and training to BKD auditors, performed internal office inspections and peer reviews and developed guidance on new accounting and auditing standards.

She is a member of the American Institute of CPAs, Missouri Society of CPAs and Association of Certified Fraud Examiners, Inc. She also serves on the Girl Scouts of Eastern Missouri board of directors and finance committee and chairs the organization's audit committee.

Donna is a 2000 graduate of University of Missouri, Columbia, with a B.S. degree in accounting and an M.Acc. degree.



Carly M. May, CPA
Manager
Engagement Role: Audit Manager

Carly, a member of BKD National Not-for-Profit Group, has five years of experience providing a full range of accounting, audit and consulting services for the not-for-profit industry, including associations, educational institutions, health care providers and other not-for-profit clients. She also has experience with accounting and operational aspects of the various clients she serves.

She is a member of the American Institute of CPAs and Missouri Society of CPAs.

Carly is a 2013 graduate of Southern Illinois University, Edwardsville, with an M.Acc. degree.

ADDITIONAL RESOURCES



Troy A. Lindsey, CPA
Director

Troy has more than 14 years of experience providing tax and consulting services to not-for-profit organizations, associations and membership organizations, higher education institutions and a broad range of health care institutions, physician and clinical practices.

He also has significant experience working with flow-through entities, *e.g.*, partnerships, limited liability companies and S corporations, taxable subsidiaries and corporate reorganizations, including acquisitions, liquidations, divestitures and choice-of-entity selections.

Troy's experience includes reviews of not-for-profit activities to identify and help mitigate exposure areas related to private inurement, intermediate sanctions, worker classification and unrelated business taxable income issues. He regularly assists hospitals, long-term care organizations, home care agencies, colleges and universities and other not-for-profit agencies with navigating complex tax issues. Troy consults with not-for-profit organizations on unrelated business income issues, Section 501(r) compliance, fringe benefit reporting, exemption applications and alternative investment reporting. He has represented both for-profit and not-for-profit organizations in IRS examinations and assisted both with joint venture tax considerations.

He is a member of the American Institute of CPAs and Missouri Society of CPAs, and is an officer of the Southern Illinois Chapter of Healthcare Financial Management Association.

Troy is a 2003 graduate of Mississippi State University, Starkville, with a B.S. in accounting and an M.S. degree in taxation.



Daniel J. Waninger, CPA
Director

Daniel has served the not-for-profit and governmental sectors for more than 10 years. His experience includes working with membership organizations, higher education institutions, museums, religious organizations and social service agencies. He has provided audit services in accordance with *Government Auditing Standards* and Single Audit standards, managed numerous audits and completed a six-month apprenticeship in BKD's quality control department.

He also serves as a presenter on technical topics, such as FASB new standards and best practices for not-for-profit organizations.

Daniel is a member of the American Institute of CPAs and Indiana CPA Society.

He serves on the finance committee of the Salvation Army, Indiana Division. He also is a 2009 graduate of the United Way of Central Indiana's Leadership United program, a 2016 graduate of Indy Chamber's Ascending Leaders program and was a finalist for Junior Achievement of Central Indiana's 2016 Indy's Best and Brightest Awards.

Daniel is a 2005 graduate of Manchester University, North Manchester, Indiana, with a B.S. degree in financial accounting, and a 2006 graduate of the Kelley School of Business at Indiana University, Bloomington, with an M.P.A. degree.

■ AVAILABILITY

There are plenty of ways to ruin a service relationship, but we rank untimely responses and repeatedly requesting the same information among the top. Two of the key commitments in our unmatched client service standards and PRIDE values seek to remedy these challenges: Responsive Reliability and Discipline.

Being responsive starts with timeliness. We expect our professionals to respond to all calls and emails within one business day. That response may ask for an extension of time to address an issue, but we want you to know we received your message and are taking action. We also seek to be available and proactive. We prefer working with BSA throughout the year, not just during our service process. We are available to provide advice and act as a sounding board as you consider various accounting and operational decisions.

State whether your firm is national, regional, or local. Describe the organization, size, and structure of your firm.

■ FIRM PROFILE

Founded in 1923, we are one of the largest national CPA and advisory firms in the United States. As of August 2018, we have 38 offices located in 17 states. Our approximately 2,650 CPAs, advisors and dedicated staff, including approximately 280 partners and principals, serve clients in all 50 states and internationally. We offer a variety of services in accounting, audit and assurance, tax, risk management, technology, corporate finance, wealth management and forensics and valuation services. Our professionals combine the insight and ideas of multiple disciplines to provide solutions to a wide range of industries, including not-for-profit, government, higher education, financial services, manufacturing, distribution, health care, construction and real estate.

■ FIRM STRUCTURE

BKD is a registered limited liability partnership under Missouri law. The partners and principals throughout BKD's offices have an ownership interest in BKD. BKD's Governing Board is the policy-making body of the firm made up of 10 partners and Chief Executive Officer Theodore Dickman, CPA. Regional managing partners oversee the operations of each of BKD's four regions, and local managing partners oversee the operations of each of BKD's offices.

State the address of the local office that will be conducting the engagement.

Your services will primarily be provided by our St. Louis office.

BKD CPAs & Advisors
211 North Broadway // Suite 600
St. Louis, MO 63102

Affirm that your firm is properly licensed for public practice as a certified public accountant or a public accountant

BKD is properly licensed to practice public accounting in the state of Missouri.

Discuss the firm's independence with respect to BSA

BKD is independent with respect to the BSA as defined by the Code of Professional Conduct of the AICPA and the United States Government Accountability Office's *Government Auditing Standards*. We are not aware of any relationship that would impair our independence.

Describe how your firm bills routine calls during the year

We respond to questions quickly and do so without hidden fees. We do not bill for responses to your day-to-day questions that require no significant investment of research, time or other costs. Providing a high level of value for the fees you pay is an integral part of our basic engagement philosophy. If an issue is going to take more than one hour to research, we will inform you in advance of the estimated hours and fees it will require.

Include a copy of the firm's most recent peer review report

BKD is committed to providing quality audit services to our clients. We submit our work to external reviewers who challenge our approach and findings. We are proud of the findings from these reviews, which indicate our process works. Our report contained a rating of "Pass," which is the best peer review rating available under the current peer review standards. A copy of our most recent AICPA peer review report is included in the Appendix.

RECOMMENDATIONS

Provide at least three written recommendations, or contact information for satisfied nonprofit or association clients most similar to BSA, with your proposal. Provide the name and telephone number of a contact person.

REFERENCES

Our clients are our best ambassadors, and we encourage you to contact them about their satisfaction with our services. The following clients have consented to discussing BKD's services and service delivery with you at your convenience.

American Optometric Association

Mr. Ryan Hayes, CPA
Chief Financial Officer
314.983.4287
rphayes@aoa.org
St. Louis, MO

Forest Park Forever

Ms. Tamara Sheffield
Senior Vice President Finance and Administrative Services
314.561.3297
tsheffield@forestparkforever.org
St. Louis, MO

Indianapolis Zoological Society

Ms. Madonna Wagner
Senior Vice President and Chief Financial Officer
317.630.5165
mwagner@indyzoos.com
Indianapolis, IN

REPRESENTATIVE LISTS OF CLIENTS

BKD is proud to work with not-for-profit organizations, including:

American Academy of Family Physicians	National Association of Basketball Coaches
American College of Sports Medicine	National Benevolent Association
American Heart Association, Inc.	National Collegiate Athletic Association
American Liver Foundation	National FFA Organization
American Optometric Association	Oklahoma Hospital Association
Community Action Project	Oklahoma Society of CPAs
Damar Services, Inc.	Synergy Services, Inc.
Delta Tau Delta	The Association of Former Students of Texas A&M University
EcoHealth Alliance	The Family Conservancy
Forest Park forever	Tower Grove Park
Girl Scouts of Western Oklahoma, Inc.	United Way Greater Cincinnati
Greater Wichita YMCA	United Way of the Plains
Indianapolis Museum of Art	U.S. Anti-Doping Agency
Indianapolis Zoological Society	Wildlife Preservation Trust International, Inc.
International Interior Design Association	YMCA of the Rockies
JA Worldwide	
Kiwanis International	

SUCCESS STORIES

- ▶▶ Many not-for-profit organizations choose to report their financial and accountability metrics on the Charity Navigator website for public access. While reviewing the functional expense classification for a client, we helped identify a more accurate allocation of programming, management and fundraising expenses. This proactive approach helped the not-for-profit more accurately represent its positive effect on the community. In addition, BKD helped the organization identify best practices for governance, improving its operational effectiveness, accountability and transparency performance metrics ranked by Charity Navigator.
- ▶▶ A large, rapidly growing not-for-profit looked ahead and realized it needed a plan to project its future needs. It turned to BKD National Not-for-Profit Group for help. BKD performed a needs analysis and made recommendations related to staffing, skill sets, technology and gifting. The organization received the financial projections and operational guidance it needed to design a plan and manage its growth.
- ▶▶ A not-for-profit organization serving related entities needed guidance on how to make its operations more efficient. BKD National Not-for-Profit Group performed an organizational and operational review, enabling the organization to streamline processes and eliminate many immaterial tracking procedures. The not-for-profit organization was able to evaluate staffing models more effectively, which helped it focus more donations on its mission and plan for growth.
- ▶▶ A public university selected BKD National Higher Education Group for its annual audit after using a large international firm for more than 20 years. During the audit, we identified several processes, systems, policies and procedures that affected the university's ability to produce accurate information, operate efficiently and share information among departments. Because of high partner/manager involvement in the engagement, coupled with our industry expertise, we identified issues and problems that had gone unnoticed, enabling management to focus on ways to improve the situation. As a result, our recommendations led to the university implementing an enterprise resource planning information system to integrate all administration functions, such as admissions, accounting, fundraising and student financial aid, and improve processes and efficiencies.

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“Unmatched client service isn’t just a slogan at BKD; it’s the backbone of our culture.”

Theodore D. Dickman, CPA
Chief Executive Officer | BKD

APPENDIX

THINKING OF YOUR FUTURE

As previously mentioned, we believe the following service could be relevant to BSA.

ADDITIONAL SERVICES FOR MEMBERSHIP ORGANIZATIONS

In addition to our core accounting, tax and audit services, we help membership organizations with:

Financial Accountability

Including implementation of new accounting pronouncements, policies and procedures, meaningful financial statements, internal controls, profitability improvement, cash flows, feasibility studies, financial projections, operational reviews, budgets, business plans, benchmarking and financing alternatives.

Attracting & Retaining Members

Including dues structures, strategic plans, tracking reports, member surveys and action plans.

Outsourcing

Including bookkeeping, transaction processing, interim staffing, special projects and training.

Technology

Including data analytics, selecting, implementing and supporting systems and software, project and grant coordination, fund accounting customization, IT and cybersecurity risks and operational efficiency.

Tax Risks & Opportunities

Including analysis of changes in tax law, diagnostic reviews, tax exemption, private letter ruling requests, IRS/state examinations, monitoring exempt functions, Employee Retirement Income Security Act compliance, state and local tax compliance, foreign bank account reporting, international tax planning and compliance and tax return preparation and review.

Executive Compensation Issues – Rebuttable Presumption Compensation Package

Executive compensation is a key area of focus for the IRS. Failure to comply with the IRS' rules can result in significant penalties. Failure to meet the rebuttable presumption standard may subject your organization or organization insiders to intermediate sanctions penalties. These penalties are designed to keep compensation and other forms of payment to individuals within an exempt organization reasonable.

Forensics

We can provide forensic services, including fraud prevention, detection and investigation, data analytics, fraud hotline, litigation support and digital forensics.



experience ideas

AICPA PEER REVIEW LETTER



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

October 26, 2017

Theodore Dickman
BKD, LLP
201 N Illinois St Ste 700
Indianapolis, IN 46204 4224

Dear Theodore Dickman:

It is my pleasure to notify you that on October 26, 2017, 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 November 30, 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.

Sincerely,

A handwritten signature in black ink that reads "Michael Fawley". The signature is written in a cursive, flowing style.

Michael Fawley
Chair - National PRC
nprc@aicpa.org 919-402-4503
National Peer Review Committee

CC: Candace Wright, L Bennett

Firm Number: 900010002800

Review Number: 552103

BKD PEER REVIEW REPORT



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

Postlethwaite & Netterville and Associates, L.L.C.

Report on the Firm's System of Quality Control

To the Partners of
BKD, LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of BKD, LLP (the firm) applicable to engagements not subject to PCAOB inspection in effect for the year ended May 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, an audit of carrying broker-dealers, 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 BKD, LLP applicable to engagements not subject to PCAOB inspection in effect for the year ended May 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*. BKD, LLP has received a peer review rating of *pass*.

Postlethwaite & Netterville

Baton Rouge, Louisiana
October 6, 2017

BKD FIRM PROFILE

experience **insight** // BKD, LLP, a national CPA and advisory firm, can help individuals and businesses realize their goals. Our dedicated professionals offer audit, tax and consulting services to clients in all 50 states and internationally. BKD and its subsidiaries combine the insight and ideas of multiple disciplines to provide solutions in a wide range of industries.

ABOUT BKD



CLIENT SERVICE

The **BKD Experience** is a commitment to unmatched client service that is shared by CPAs, advisors and dedicated staff members who take your business personally. We are so dedicated to the idea that we wrote a book—**The BKD Experience: Unmatched Client Service**.



INTERNATIONAL SOLUTIONS

BKD is among the largest North American members of Praxity, AISBL*, a global alliance of independent firms serving clients in approximately 100 countries. We offer multinational clients a gateway to the global marketplace with services delivered by alliance firms committed to the highest standards required in international business.



PROFESSIONAL AFFILIATIONS

BKD is a member of the American Institute of CPAs and its three quality centers: Center for Audit Quality, Employee Benefit Plan Audit Quality Center and Governmental Audit Quality Center.

BKD is registered with the Public Company Accounting Oversight Board, which is required to serve as an independent auditor of public companies. BKD audits approximately 80 U.S. Securities and Exchange Commission registrants, including approximately 30 benefit plans.



MISSION STATEMENT

The mission of BKD is to always strive for excellence in providing services to clients, create rewarding career opportunities and maintain sound professional, business and financial standards.



QUICK FACTS

- **Clients:** Individuals and private and publicly traded businesses in the health care, manufacturing, distribution, financial services, construction and real estate industries, as well as not-for-profit and governmental entities
- **Total Personnel:** Approximately 2,650
- **Partners & Principals:** Approximately 280
- **Net Revenues:** \$594 million[^]
- **Fiscal Year-End:** May 31
- **Founded:** 1923
- **Locations:** 38 offices serving clients in all 50 states and internationally[^]

*Praxity, AISBL is a global alliance of independent firms. Organised as an international not-for-profit entity under Belgium law, Praxity has its executive office in Epsom. Praxity – Global Alliance Limited is a not-for-profit company registered in England and Wales, limited by guarantee, and has its registered office in England. As an Alliance, Praxity does not practice the profession of public accountancy or provide audit, tax, consulting or other professional services of any type to third parties. The Alliance does not constitute a joint venture, partnership or network between participating firms. Because the Alliance firms are independent, Praxity does not guarantee the services or the quality of services provided by participating firms.

[^]As of August 1, 2018

BKD SERVICES

Audit & Assurance

Tax

Business Succession Planning

Employee Benefit Plans

Forensics & Valuation Consulting

Information Technology

Risk Management

State, Local & International Tax

Wealth Management

And More

BKD PRIDE VALUES

WHAT'S IMPORTANT TO YOU? // A commitment to excellence? Independence and objectivity? A broad skill set? Exceeding expectations? At BKD, these are all essential. That's why every day you can see our partners and employees "living the PRIDE." These values—passion, respect, integrity, discipline and excellence—are the hallmarks of BKD and guide us as we provide solutions for your business and financial needs. Experience what BKD PRIDE values can mean for you.



P

PASSION

- For service to others
- For making tomorrow better than today

Experience how our dedication and enthusiasm for making tomorrow better than today can help you make informed decisions to help improve business and financial outcomes.

R

RESPECT

- For the differences that make our team strong
- For our legacy and the benefits of change

Experience how our respect for diversity can provide a variety of skills and talents to meet your needs. Respecting the lessons of our legacy and yours, we can help you capitalize on the opportunities change inevitably offers.

I

INTEGRITY

- To do the right thing
- To be objective and independent

Experience how our integrity and objectivity can help you make smart business decisions. You want an advisor to tell you what you need to know, not just what you want to hear.

D

DISCIPLINE

- In process and innovation
- To balance professional and personal commitments

Experience how our well-established protocols and low-risk approaches can help resolve issues and advance your goals.

E

EXCELLENCE

- In skills and competencies
- In our quest to be the best

Experience how our ambition, knowledge, commitment to lifelong learning and drive to improve technical and analytical skills can work to consistently surpass your expectations.

BKD

BKD THOUGHTWARE

BKD's expertise spans a wide variety of industries and subjects, and our professionals share their knowledge in print, online and in person to help advance your organization. Use the QR code below to sign up for **BKD Thoughtware®** emails.



// articles



// emails



// presentations



// videos



// webinars



BKD
CPAs & Advisors

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