

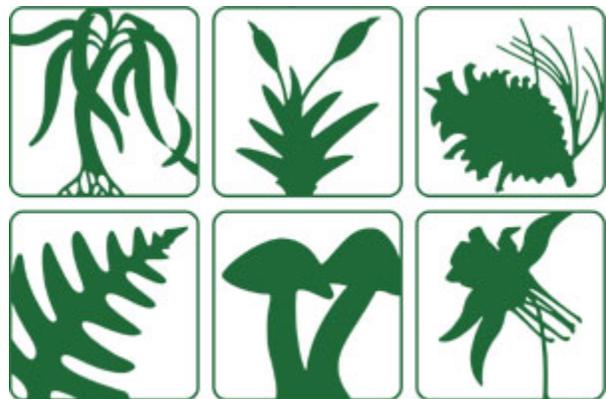


January 23, 2019

THE FIRM FOR GROWTH.™

## PROPOSAL TO PROVIDE PROFESSIONAL SERVICES

### Botanical Society of America



BOTANICAL SOCIETY OF AMERICA

Janet T. Ramey, CPA  
[jramey@bswllc.com](mailto:jramey@bswllc.com) | 636.754.0231

Ellen M. Norrenberns, CPA  
[enorrenberns@bswllc.com](mailto:enorrenberns@bswllc.com) | 314.687.2310



January 23, 2019

THE FIRM FOR GROWTH.™

Board of Directors  
Botanical Society of America  
4344 Shaw Blvd.  
St. Louis, MO 63110

Thank you for the opportunity to present our proposal to the Botanical Society of America (“BSA”). We are hopeful that our firm will once again be awarded the opportunity to partner with the BSA and be a part of carrying out the BSA’s mission. Additionally, we greatly appreciate the time provided to us in our recent discussions with you and hope that this proposal helps illustrate that we are the right partner for the Society.

Our firm has significant professional resources, which create efficiencies and foster continued excellence for all the nonprofit industry services we provide. We understand that the BSA needs a service provider who can support them with the various technical resources that will be a foundation for growth and excellence. A firm of our size has the resources and specific expertise to look beyond the traditional audit services required, to be a partner in the strategic planning and growth of your Organization, and to provide services that smaller firms servicing the not-for-profit arena cannot provide. *Our support may begin with the audit, but we will strive to offer meaningful feedback supporting improvements across all areas of your organization.* We are partnership driven and genuinely want to collaborate with your leadership and foster overall efficiencies and growth within your organization.

In recent years, many organizations similar to the BSA have switched to Brown Smith Wallace after seeing the *depth of our experience, the extent of our professional resources, and the dedication in our approach when providing client services.* For example, every member of your engagement team is a member of our own not-for-profit industry team. As a result of this industry commitment, we have a very high retention rate of these clients. Our professional teams are specifically trained in the not-for-profit industry and are client-driven with a commitment to serving our clients with timely delivery and thought-provoking observations.

We are attuned to the challenges faced by your industry and strive to keep your fees at a level that equates to the **MOST VALUE FOR THE FEES CHARGED.** We are confident that the fee amounts quoted are at that level.

Thank you for your consideration and the opportunity to work with you. We are confident that we are the most qualified and cost-effective partner to assist you with these efforts today and facilitate your growth into tomorrow. We carry an excitement for the work we do with us each day and would be excited to serve BSA. If you have any questions regarding our proposal, please don’t hesitate to contact us.

Sincerely,

BROWN SMITH WALLACE, LLP

Handwritten signature of Janet T. Ramey in black ink.

Janet T. Ramey, CPA  
Practice Leader – Not-for-Profit

Handwritten signature of Ellen M. Norrenberns in black ink.

Ellen M. Norrenberns, CPA  
Audit Principal – Not-for-Profit



THE FIRM FOR GROWTH.™

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## SCOPE OF SERVICES

It is our understanding that the scope of services requested will include the following:

Core Services and Resources	
	Perform FY2017 Audit and provide our opinion of BSA's financial statements on the modified cash basis of accounting for the year ended September 30, 2017.
	Perform FY17 Single Audit on federal programs in accordance with the Code of Federal Regulations – Title 2 – Subpart F – Audit Requirements under Uniform Guidance.
	Prepare required communications to those charged with governance, including communicating internal control-related matters, for distribution to the board of directors.
	Hold an exit interview with the Executive Director and Financial Manager to review copies of the above reports before such reports are presented to governance representatives.
	A representative of the firm will meet with members of the board, possibly remotely via video conference call, to present the audit report.
Additional Services and Resources (AT NO ADDITIONAL CHARGE)	
	Preliminary research on the BSA to understand your organization and your financial needs including review and understanding of current BSA Finance and Accounting Policies and Procedures.
	Periodically meet and/or hold discussions with management throughout the year to discuss industry dynamics and issues. Respond to phone calls related to accounting, tax and business advisory issues that come up occasionally. We want to be your “trusted business advisor.”
	Provide access to our premium thought leadership materials, including articles, blogs, e-blasts, webinars, and regulatory and market updates. Examples are included in <a href="#">Appendix B</a> .
	Invitation to our firm's educational events, including our NPO Speaker Series, Public Sector Risk Briefings and other Education Sessions, as listed in <a href="#">Appendix B</a> .
	Brown Smith Wallace University training courses are made available to our clients if you desire to learn more about the advent of new literature or technology, as listed in <a href="#">Appendix B</a> .
	Invitation to The Bridge, the Brown Smith Wallace women's initiative, designed to connect women leaders of today and tomorrow, as listed in <a href="#">Appendix B</a> .

## THE FIRM FOR GROWTH

### WHO WE ARE

Brown Smith Wallace is The Firm for Growth as described in our strategic vision. Our success in realizing our vision to date is shown by our growth into a nationally ranked, top 100, full-service CPA and business advisory firm. **We are a local firm based in St. Louis with a total staff of more than 300 professionals to serve your needs and help you achieve your growth goals.** The firm provides audit, tax, accounting, internal audit, benefit plan audit, information technology advice, IT security audits, and other professional services to private and public companies and organizations in many industries. We have helped clients grow nationally and internationally by providing these services and our experience to support their specific growth goals.

**All critical client discussions and decisions are made here in St. Louis. As a client, you will have immediate access to our firm’s leadership when and if ever needed.**

### Snapshot: Who We Are



310+

Professionals

Top 100 Firm

Services

- Audit
- Tax
- Advisory
- Transaction Advisory and Litigation Support
- Entrepreneurial Services Group
- Business Performance Consulting
- Retirement Plans
- Insurance Consulting



37

Partners

3 Locations

- Creve Coeur, MO
- St. Charles, MO
- Edwardsville, IL

Industries

- Financial Institutions
- Broker-Dealers and Investment Advisors
- Real Estate
- Construction
- Captive Insurance
- Retail
- High Net Worth Individuals
- Manufacturing
- Public Sector
- Health Care
- Insurance
- Not for Profit
- Startups
- Private Equity

### AWARDS AND RECOGNITION

One of our core values is Win – “We work hard and have fun winning with our clients.” We like to win for you our client, for the families that are a part of our firm and for our community. And we do. Brown Smith Wallace has been nationally recognized as a Top 100 Firm by *Accounting Today* and *INSIDE Public Accounting*.

The firm was recognized in the 2019 Vault Accounting 50, a ranking of the 50 best accounting employers to work for in North America. For the fifth consecutive year, our firm was the top ranked firm in St. Louis, coming in at 15th overall. Further, the firm has been named a Top Workplace by the *St. Louis Post-Dispatch* 7 times and recognized 8 times by *Accounting Today* as one of the Best Accounting Firms to Work For in the country.



## THE FIRM FOR GROWTH (CONTINUED)

### OUR MISSION

We are accountants and advisors guided by our passion for supporting and impacting the growth and success of our clients, colleagues and communities.

### CORE VALUES AND VISION

With our vision of being The Firm for Growth, we strive to give purpose to each member of our firm. Our mission is for everyone in the Brown Smith Wallace family to set and achieve their individual goals for success. We work with clients, alongside colleagues and in our community to put our beliefs into action.

We have one consistent vision for the future. Click below to watch our firm video and get to know us, our firm culture and the core values that propel our vision forward, or visit <http://brownsmithwallace.com/firm-video>.



**We are registered with the Government Audit Quality Center (GAQC), the Public Company Accounting Oversight Board (PCAOB), the American Institute of Certified Public Accountants (AICPA), the Center for Public Company Accounting Firms and the AICPA Employee Benefit Plan Quality Center.**

### MOORE STEPHENS

To serve our clients with a broad range of services in a wider geographical area, Brown Smith Wallace is an independent firm of Moore Stephens International Limited. Moore Stephens International Limited is regarded as one of the world’s leading accounting and consulting networks with more than 638 member and correspondent offices in some 97 countries. The depth and breadth of services available to you are equivalent to those offered by Big Four firms. These services are enhanced by a more hands-on, personalized approach to serving client needs. The aim of Moore Stephens member firms is to provide comprehensive services to clients globally through the development and maintenance of a cohesive network and serve as an additional resource for specific industry information and practice.

## THE FIRM FOR GROWTH (CONTINUED)

### NOT-FOR-PROFIT EXPERTISE

Brown Smith Wallace has built an impressive set of capabilities in the not-for-profit (NPO) sector. Our practice focuses on helping clients address financial, operational and compliance issues by providing audit, tax and consulting services for this sector. Our practice can also assist you in evaluating BSA's internal controls and business processes with a critical eye toward effectiveness and efficiency.

We live in a fast-paced, technology-driven environment. As a result, organizations face significant challenges with regard to maintaining viability, sustainability and relevance. The current economic climate is one that demands effective utilization of resources, and organizations look to their service providers for solutions. A service provider would typically focus only on providing you services using information from transactions of the past. However, Brown Smith Wallace strives to be more than just a service provider: we want to be your strategic partner. As a partner of BSA, our focus would be on offering value to you not only as a service provider, but also with knowledge and expertise that has impact on your future. Having Brown Smith Wallace as your strategic partner provides you with not only a team of experts that provide your requested services, but also a multitude of resources to enhance your organization's ability to tackle the significant challenges facing the not-for-profit industry today. Brown Smith Wallace will help ensure that BSA is positioned to be stronger and better suited for tomorrow.

We provide services for not-for-profit clients with revenues ranging from less than \$1 million to clients whose revenues and/or assets exceed \$100 million. Not-for-profit organizations have special needs and expectations of their service providers. We recognize and respect the factors that set the not-for-profit sector apart from the for-profit business community.

Our not-for-profit clients fall within a variety of Internal Revenue Code 501(c) exemptions. Our team has provided services to many organizations that have varying organizational structures and reporting requirements, including Federal Single Audit Packages. The varied experience of the Brown Smith Wallace not-for-profit team has resulted in an accumulation of resources and knowledge of best practices for the industry.

Our team is very familiar with the recent changes to financial accounting standards and the audit requirements for organizations receiving federal funds. We are prepared to assist BSA in the application of the new standards and can provide valuable insight relative to updated rules.

*"Brown Smith Wallace is a great partner for the breadth of services that we require. Not only do they perform our typical annual audit, we also have two HUD audits that we need each year and all of our audits require Uniform Guidance compliance. In addition, they perform our 403(b) audit and audits for two for-profit entities under a Master Lease arrangement. As a fairly complex entity, it's nice to know we can obtain all the expertise we need under one roof! The staff we work with are terrific!"*

**Laura McCallister, Vice President of Finance & Facilities  
Places for People**

## THE FIRM FOR GROWTH (CONTINUED)

### NOT-FOR-PROFIT EXPERTISE

Our NPO team has significant experience in providing and designing an appropriate audit approach for organizations and associations whose operational components are similar to BSA. Our practice is well established and focuses on helping clients address financial, operational and compliance issues. We look at the underlying causes and resultant financial statement impact of the business decisions made every day in an organization.

We currently provide specialized audit, tax and consulting professional services to over 140 not-for-profit organizations within a variety of Internal Revenue Code exemptions including associations; private educational institutions; foundations; social welfare organizations; health care; religious and para-religious organizations; and other not-for-profits similar to BSA. We have been privileged to provide services to several not-for-profits in the community that have varying organizational structures and reporting requirements.

*All Brown Smith Wallace clients benefit from the breadth of our client base.* We actively listen to the needs of our clients, verbalized and implied, so we are able to leverage existing relationships to offer resolutions and suggestions to best meet those needs. The vastness of our practice allows us to identify best practices and help implement them with all clients who could benefit. Brown Smith Wallace is a family of service professionals dedicated to exceeding expectations of all our clients. A sample of the breadth of our not-for-profit client base is noted below.



## **CONFIRMATION OF FIRM INDEPENDENCE**

We are not aware of any relationships between Brown Smith Wallace and BSA that in our professional judgment may reasonably be thought to bear on our independence. We confirm that we are independent within the meaning of the pronouncements of the Independence Standards Board and under Rule 101 of the AICPA Code of Professional Conduct, its interpretations and its rulings. We would be pleased to discuss matters relating to our independence.

## ENGAGEMENT TEAM

**The staff assignments to your engagement include four individuals, including the industry leader, audit management personnel, and two NPO experienced audit team members.**

One of the benefits to having a dedicated not-for-profit practice is that every member of your engagement team listed will be available for consultation or discussion, or to answer questions you may have regarding services or technical issues. **We not only anticipate calls and questions from you during the year, we encourage you to access our professionals throughout the year as you encounter questions or need our professional assistance. We look forward to those opportunities.** Our focus is on bringing value to our relationships with clients. This focus is founded on our commitment to quality and our dedication to providing expert, specialized talent. We have handpicked a client service team that offers extensive experience and industry knowledge with not-for-profit organizations and Uniform Guidance engagements.

### NOT-FOR-PROFIT PRACTICE LEADER – JANET T. RAMEY, CPA



Janet is the not-for-profit practice leader at Brown Smith Wallace and serves as *team leader* in providing services in the *not-for-profit sector*. *Janet will be responsible for oversight of all services, including final approval authority to issue reports provided to BSA. Janet will also function as an information and relationship resource to management.* With more than 25 years of providing services to the not-for-profit community, Janet has led the work on a variety of not-for-profit organizations, including associations, educational institutions, foundations, social welfare organizations, religious organizations, etc.

During Janet's professional career, she has provided services including audit, consulting, financial statement analyses and presentation, financial reporting and management recommendations, systems implementation, controllership, internal audit and training. Janet's personal commitment to serving not-for-profit organizations and associations has resulted in the creation of several types of ongoing events, opportunities, and heightened excellence in providing services to our local not-for profit community. Events such as the NPO Speaker Series and enhancements to both the presentation of financial statements and presentations made to those charged with governance are just a few examples of her contribution to this industry. She is well versed in analyzing, evaluating, interpreting and presenting on various NPO operating measures, and she frequently helps organizations and associations navigate the results and generate solutions for issues identified.

A frequent speaker at local and national seminars and conferences, Janet has publicly presented on many technical topics including board governance, internal controls, enterprise risk management, best practices for tax exempts and accounting for contributions and gifts. She has also written or contributed to several articles and white papers on topics such as not-for-profit health checkups, audit committees, board governance, and effective audits.

Janet has obtained education necessary for staying current with financial reporting requirements related to not-for-profit entities. Janet is a member of the Board of Directors and Audit Committee of the United Way of Greater St. Louis, Western Regional United Way, and National Safe Place where she also serves as Chairman of the Finance Committee. Janet is also involved with several other community boards and committees. She is a member of the AICPA and the Missouri Society of CPAs (MOCPA) and holds a Bachelor of Science degree in Accounting from the University of Alabama at Birmingham.

## ENGAGEMENT TEAM (CONTINUED)

### AUDIT PRINCIPAL – ELLEN M. NORRENBURNS, CPA



Ellen is a Principal in the Audit Services practice at Brown Smith Wallace. She specializes in services to the NPO industry and has more than 20 years of experience in public accounting. *Ellen will be responsible for supervising all audit services provided to BSA, will be onsite to manage the audit team fieldwork, and will function as an information and relationship resource to management. Ellen will work closely with you and has the responsibility to become a trusted advisor to you and your organization.*

Prior to joining Brown Smith Wallace, Ellen led the audit practice of Bergman, Schraier & Co. P.C., where she specialized in serving various not-for-profit organizations.

Throughout her career, Ellen has had the opportunity to provide services to numerous not-for-profit organizations, local governments and closely held businesses. These services include audit, consulting, financial statement analyses and presentation, financial reporting and internal control recommendations, income tax planning, and training. She has experience performing audits under the regulations provided by 2 CFR Part 200, or the Uniform Guidance, formerly known as A-133, and Government Auditing Standards. She has assisted local governments and not-for-profit organizations by providing outside controllership services, and she has served as the financial liaison to the board of directors for these organizations.

Ellen stays up-to-date on the latest technical pronouncements through a variety of continuing education courses and seminars so she can best inform her staff and her clients. She has also served as a peer reviewer for other accounting firms.

A graduate with honors from the University of Illinois at Champaign-Urbana, Ellen is a member of the Missouri Society of Certified Public Accountants (MOCPA) and the American Institute of Certified Public Accountants (AICPA). Her current community involvement includes:

- St. Louis Volunteer Lawyers and Accountants for the Arts
- Board of directors for Metro Theater Company

## ENGAGEMENT TEAM (CONTINUED)

### AUDIT SUPERVISOR – MELANIE URBANIAK



Melanie is a Supervisor in the Brown Smith Wallace Audit Services practice specializing in services to NPOs. Melanie earned a Bachelor of Science degree in accountancy from Southeast Missouri State University in May 2012. Shortly following graduation, Melanie began with the firm and now has more than six years of experience.

As an experienced supervisor, Melanie is in charge of many not-for-profit audit and review engagements. Melanie became passionate about working with not-for-profit organizations early in her career, and because of this has extensive experience with this industry and significant knowledge in NPO accounting, including hands on experience with QuickBooks. ***Melanie will play a key role in the development of the audit plan and procedures, and she will work closely with management to execute the plan and procedures.***

### AUDIT SENIOR – CHELSEY WINSOR, CPA



Chelsey is an in-charge auditor in the Brown Smith Wallace Audit and Attestation Services practice and a member of the firm's not-for-profit audit team. Chelsey earned her Bachelor of Science degree in Business Administration—Accounting from Southeast Missouri State University in May 2016. Shortly following graduation, she joined Brown Smith Wallace, where she devotes the majority of her time to servicing the firm's not-for-profit clients.

***Chelsey will play a key role in the execution of the audit and review plan and procedures, as well as work closely with management to execute the procedures.*** Chelsey has worked on financial statement audits, benefit plan financial statement audits and unit cost reporting. With her knowledge and dedication to the not-for-profit industry, Chelsey will provide efficiencies in the engagement as a whole.

## AUDIT SERVICE APPROACH

The Brown Smith Wallace trademark lies in the high quality of professional services we provide. It is our goal to provide our clients with the very best service in a prompt, personal and cost-effective manner. This is evident in the way we are organized, in our team’s attitude and in our delivery approach.

We are always looking for ways to provide further value for our clients. One of our core values is Improvement -- *We don’t rest on our past achievements. We seek out what’s next to help our clients.* Our audit process is tailored to the individual client and does not focus on numbers alone. We expand our focus to include underlying business processes and related risks, which drive numbers.

A big part of our approach is an in-depth understanding of your organization, which encompasses the information you use to operate and manage BSA. As your auditors and business advisors, we must be aware of circumstances, conditions or activities that relate to BSA’s goals. We must understand how internal and external forces come together to affect those goals and your financial statements. With this in-depth knowledge, we are able to view the audit from your perspective and focus on the significant issues that extend to your financial reporting.

An overview of the Brown Smith Wallace audit process is as follows:



**WE ARE COMMITTED TO CONTINUOUS IMPROVEMENT IN SERVING CLIENTS.**

## **AUDIT SERVICE APPROACH (CONTINUED)**

### PLANNING AND ORGANIZATION ANALYSIS

A thorough understanding of BSA is an essential step to plan an appropriately focused audit. We will work closely with you to identify and understand the critical elements of BSA, its operating environment and the industry issues that affect BSA. We will identify and understand risks that threaten the achievement of your objectives and meet with those in charge of BSA's governance.

**We will work with your accounting staff in order to make the audit process run as smoothly as possible. We will meet with them and review the list of required audit schedules, including the timing of the preparation of these schedules, as part of our audit plan. We will share our risk analysis of your operations as part of our audit planning process.**

### INTERIM PROCEDURES

#### AND INTERNAL CONTROL EVALUATION AND TESTING

The interim procedures and internal control evaluation and testing phase is critical to the success of the engagement. During this phase of the engagement, we will work with the appropriate members of the management team to gain an understanding of BSA's accounting and reporting processes that are most important to achieving your objectives. We will look at how those processes impact the integrity of the financial statements. We will perform a review of key internal controls, test significant transactions and review significant agreements. As part of the Uniform Guidance requirements, we will also evaluate and plan to test internal controls over compliance, and certain compliance requirements pertaining to your federal award programs. We will communicate any issues in internal controls or compliance identified as a result of our procedures. Additionally, we will perform certain analytical procedures, review board minutes and perform other audit procedures, as appropriate. In essence, successful interim would entail getting through as much of the detailed testing, evaluation of control structure, and underlying assessments as possible to prove that we have looked at and tested what we can through the interim date.

Our interim procedures will also include a risk assessment of your key internal controls, which we will incorporate into our design of the audit procedures and testing of internal controls over compliance. Our goal in performing the interim procedures is to provide a successful framework on which to structure and complete our audit procedures with the focus of ensuring efficiency and effectiveness to allow completion in a timely fashion. We believe the approach we've developed produces results that can be measured. Our team is forward thinking and knows that quality time spent during the interim procedures reduces time needed on the back end of the engagement. This is important for our team and yours.

### SUBSTANTIVE ANALYSIS AND TESTING

We will focus our audit on the areas that will have the greatest impact on the financial statements. For areas deemed to be of greatest risk, we will spend the majority of our time performing substantive testing on these areas. These tests may consist of audit analyses of year-end balances, analytical review of transactions, independent confirmation of balances, vouching of transactions and other substantive procedures. We may also use IT audit techniques, if deemed appropriate and if these techniques will enhance the efficiency and effectiveness of the underlying testing.

## **AUDIT SERVICE APPROACH (CONTINUED)**

### REPORTING AND ORGANIZATION IMPROVEMENT COMMUNICATIONS

During this final phase, we will work with management in preparing and reviewing the draft of the financial statements of BSA. We will also provide draft copies of all required communications and an advisory letter (as applicable) for your review and approval prior to final issuance.

Additionally, we would like to explore and discuss available financial statement presentation options with management. We feel that a key responsibility as your service provider would be to present options to you to ensure BSA's financial information is presented in the best light possible to the users of the financial statements. This primarily relates to evaluating new or clarified guidance and evaluating complex accounting issues to ensure that we help the management team understand what your options are. We believe it is part of our job to bring these thoughts and ideas to the table.

**Throughout the engagement, our engagement team typically will identify opportunities for performance and/or control improvements. Our analyses of your organizational processes and controls frequently lead to the identification of improvement opportunities. As part of our audit engagement, we will formally communicate the results of the audit with the management team.**

We anticipate issuing unmodified opinions on the financial statements and compliance requirements associated with this engagement. Should circumstances arise that would preclude us from issuing unmodified opinions, we will notify you as soon as reasonably possible to ensure that we engage in the appropriate level of discussions with the appropriate members of management.

***Overall, the key elements in our audit approach that will make this a successful and efficient experience are effective communication, proper planning, and our understanding of the industry and areas of greatest risk.***

*"The team at Brown Smith Wallace has been very helpful with our internal transition to centralized back office accounting and a new audit firm. The entire team is very knowledgeable, responsive and focused on customer service. Brown Smith Wallace has quickly become a great resource to us and it has been a pleasure working with them. We look forward to a long-term relationship."*

**Stacy Tew-Lovasz, President  
Alzheimer's Association**

*"In the past 10 years, Synod has gone through significant change, and the Brown Smith Wallace team has been right there with us. The complexity of our organizational structure is anything but straightforward, and this team learns by asking the right questions, which results in generating solid solutions to our evolving issues. Our year-round relationship and the dialogue that is shared shows they are part of a team working for us, not against us. Their partnership is a valuable resource for The Lutheran Church Missouri Synod."*

**Jerald C. Wulf, Chief Financial Officer  
Lutheran Church Missouri Synod**

## AUDIT SERVICE APPROACH (CONTINUED)

### TIMELINE

If selected, we will work with you to establish a firm timeline for working with Brown Smith Wallace that works for your team and ours. The table below represents a tentative and estimated outline of the work plan for the financial statement audit for the year ended September 30, 2017.

DATE	ACTION
Upon acceptance	Perform initial year planning procedures, including providing related communication letters, executing engagement letters, and going over a preliminary list of client information needed to ensure effective/efficient kickoff
April 2019	Perform planning and interim auditing procedures at a mutually agreeable time, including risk assessments, walkthroughs, sample selections, compliance and internal control procedures, detailed testing to the extent possible, and any other procedures deemed necessary and effective; also provide list of schedules for final fieldwork and discuss in detail
May 2019	Begin final fieldwork and substantive testing on site at BSA at a mutually agreeable time
May 2019	Complete fieldwork and conduct exit conference with management to discuss preliminary results/findings from the audit engagement, discuss open items and timeline to complete, define next steps and overall path to completion
End of May 2019	Provide a draft of all deliverables to the BSA team, including all financial statement reports and required communications
Middle to End of June 2019	Be available to present to the Board of Directors/Audit Committee at applicable meetings. Presentation and related materials to be prepared and reviewed by management team prior to our presentation.

*“When we transitioned from a national firm to Brown Smith Wallace, we immediately noticed a difference in service and audit approach. The new leadership team welcomes spending time with us, including planning, exit and mid-year catch-up meetings, formal presentations and phone calls. They ask the right kinds of questions and don’t get lost in the details. They do their homework regarding audit procedures and risk assessments, provide a quality audit, and never miss deadlines. If issues arise, they talk to us about options, and together we generate solutions. It’s a great partnership.”*

**Chad J. Cattoor, CPA, Chief Financial Officer  
Concordia Seminary**

## REFERENCES

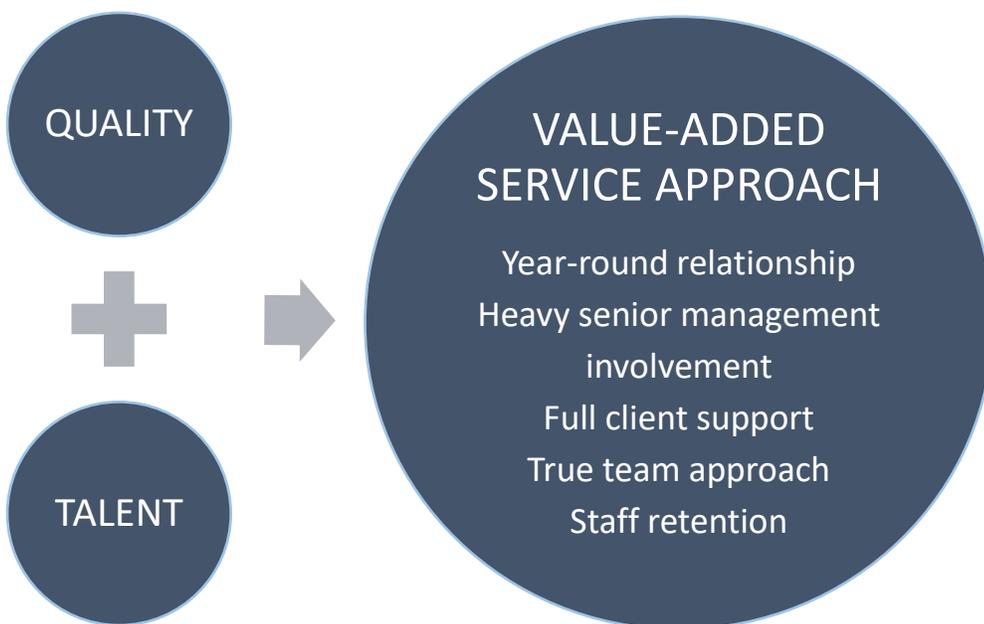
The following clients have given us permission to use them as references. You are welcome to call them regarding our services, our people, our commitment to service and our client-provider relationship.

ORGANIZATION	SERVICES PROVIDED
<p><b>Society for the Study of Evolution</b> Dr. Andrea Case Department of Biological Sciences Kent State University Box 5190 Kent, OH 44242-0001 330.672.3699</p>	<p>Since 2009, Brown Smith Wallace has assisted the Society with a variety of services including preparation of IRS forms 1099 and 1096, preparation of IRS Form 990, accounting and preparation of annual compiled financial statements.</p>
<p><b>Places for People</b> Laura McCallister Vice President of Finance &amp; Facilities 4130 Lindell Blvd. St. Louis, MO 63108 314.615.9105</p>	<p>For the Places for People organization umbrella, Brown Smith Wallace provides a variety of services such as Single Audit in accordance with Uniform Guidance, Agreed Upon Procedures for NAP credit certification, MHDC audit (includes LIHTC and HTC tax credit compliance), HUD audits and REAC filings as well as 990 tax returns.</p>
<p><b>Junior League of St. Louis</b> Sally Petty Chief Administrative Officer 106 North Kirkwood Road St. Louis, MO 63122 314.822.2344</p>	<p>Brown Smith Wallace performs the external audit and 990 preparation of the Junior League of St. Louis, a membership organization focused on volunteer training and improving the health and welfare of women and children.</p>
<p><b>National Association of Electrical Distributors</b> Tim Dencker Vice President – Finance 1181 Corporate Lake Drive St. Louis, MO 63132 314.812.5314</p>	<p>For over 15 years, Brown Smith Wallace has provided external audits of the Association and Foundation’s financial statements and tax services, as well as ongoing accounting and consulting services, and presentations to those charged with governance.</p>
<p><b>Youth in Need</b> Mr. Mark Solari Chief Financial Officer 1815 Boone’s Lick Rd. St. Charles, MO 63301 636.946.5600</p>	<p>Brown Smith Wallace has served Youth in Need for more than 10 years, providing external audits of the financial statements including Uniform Guidance audit requirements and preparation and review of the Form 990. In addition, we provide NAP and YOP credit audit services when required.</p>

## OUR SERVICE APPROACH – FOCUSED ON YOUR GROWTH

Our focus is on delivering our resources and experience to support your specific growth goals. We are committed to excellence in our client services, and to that end, we continually invest in the development of our people, processes and technology to deliver quality. In serving you, we will relentlessly pursue the correct choice, not the convenient choice, for you and your goals. We continually strive to go above and beyond our clients’ expectations. We accomplish this by actively listening to our clients and providing proactive solutions.

We will listen with an open mind to your perspective and apply our skills and influence wisely and objectively for you. We will gain your trust through our ethical behavior and actions. In the end, we are accountable for results to each other and our clients. We are committed to continuous improvement. In serving clients, we do not rest on our past achievements: we seek out what’s next to help our clients win. We succeed because of our integrity and objectivity and being true to our client commitments.



### YEAR-ROUND RELATIONSHIP

We would like to meet/communicate with you on a regular basis throughout the year as needed and as your schedules allow. Regular meetings and communication make it possible for us to keep you updated on what we are seeing in the marketplace and help us stay current on the opportunities and/or challenges facing organizations like yours. Our clients appreciate our 12-month relationship approach that shows our commitment to excellent service.

### HEAVY SENIOR MANAGEMENT INVOLVEMENT

We require the senior members of the engagement team to be involved in the services we provide. Brown Smith Wallace Partners, Principals and Managers will remain invested in the engagement from initial planning through final reporting. We are a high-touch firm that delivers high quality and timely professional service to all of our clients.

## OUR SERVICE APPROACH – FOCUSED ON YOUR GROWTH (CONTINUED)

### FULL CLIENT SUPPORT

We support our clients as if we are their business partner. As your business partner, we will relentlessly support you and keep you informed about changes in accounting standards, 990 reporting requirements, and industry best practices. One key way we add value is to ensure you always know and understand your options. Because our high-touch approach fosters experienced and knowledgeable insights into your operations, we are able to provide business advice that goes beyond compliance.

### TRUE TEAM APPROACH

We strive to provide a climate of conversation that creates a high level of comfort and trust between our firm and our clients. This is accomplished by promoting a comfortable work environment that does not burden our clients with complex and frustrating tasks. On the occasion that a concept is new or difficult to grasp, we work with you to ensure understanding by acting as a resource, providing guidance and arriving at conclusions together.

### STAFF RETENTION

Brown Smith Wallace recognizes the impact staff continuity has on the quality of professional services provided to clients. An efficient team, working toward a common goal, with specific knowledge and experience of client and industry is what we strive for on all audits and tax engagements, and our engagement with USI will be no exception. At Brown Smith Wallace we are very proud of the low annual turnover we have experienced in our audit and tax practices.

The low turnover rate Brown Smith Wallace experiences is a direct result of our commitment to the professional development and work/life balance of our professionals. **What this means to you: there will be continuity in your engagement, and YOU WILL BENEFIT from recurring relationships and increased efficiencies each year. We prioritize and recognize the extreme value in engagement staff continuity.**

Year	Brown Smith Wallace	National Average
2017	6.2%	16-18%
2016	6.9%	
2015	7.9%	
2014	7.1%	

## PEER REVIEW REPORT

Our most recent peer review was conducted by Dixon Hughes Goodman, a nationally accredited public accounting firm. Brown Smith Wallace is pleased to report that, in conjunction with our peer review, there was no letter of comment issued.



500 Ridgefield Court  
Asheville, NC 28806  
D 828.254.2254  
F 828.254.6859  
www.dhglp.com

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

October 27, 2017

To the Partners of  
Brown Smith Wallace, LLP  
and the National Peer Review Committee

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

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

#### **Firm's Responsibility**

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

#### **Peer Reviewer's Responsibility**

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

#### **Required Selections and Considerations**

Engagements selected for review included an engagement performed under *Government Auditing Standards*, including the compliance audit under the Single Audit Act; audits of employee benefit plans, an audit performed under FDICIA, and an examination of a service organization [SOC 1].

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 Brown Smith Wallace, LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended April 30, 2017, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Brown Smith Wallace, LLP has received a peer review rating of *pass*.

*Dixon Hughes Goodman LLP*

Dixon Hughes Goodman LLP



## BUDGET AND FEES

We have prepared budgets for the services rendered below that include significant investments of time for us to get to know BSA and the corresponding operations. We anticipate this time in the first year will be significant, approximately 40 hours, but that’s okay. We will share the cost of this initial fact-finding and other start-up work that is essential in learning more about your organization and which will facilitate our performance of the requested procedures, offering these services to you at our lowest staff level discounted rates.

Service	Fees
Financial statement audit	\$ 15,000
Audit of your federal programs	4,000
Initial year procedures	3,000
Total	\$ 22,000

Personnel	Estimated Hours	Hourly Rate Discounted	Estimated Charge
Partner	5	\$ 250	\$ 1,500
Manager/Principal	20	200	4,000
Supervisor/Senior	75	140	10,500
Staff	60	100	6,000
Total	160		\$ 22,000

Our approach is to provide fair pricing and to enter into long-standing relationships that are mutually beneficial over a number of years. As such, we will not look to increase the fees from those reflected above without first discussing with you and ensuring that there is an understanding of the nature of the increase. For succeeding year services, we will reevaluate our fees, and we will work with you and your team to ensure that the audit services are provided in the most efficient manner and at the lowest fee. We both have ownership with this objective. We are looking for a long-term relationship with BSA, and our approach is to ensure that you feel that you are being treated fairly in all respects, you have a business partner who functions as a trusted business advisor, and that our firm provides value in every facet.

**The results of our audit procedures could prompt management to request additional project work from us. If additional projects are requested from management outside of the audit, we will discuss a separate fee schedule using our discounted rates listed above.**

## BUDGET AND FEES (CONTINUED)

Our prices are based upon the anticipated cooperation from your personnel, the assumption that unexpected circumstances will not be encountered during the audit and that the organizational structure includes an adequate control structure, accounting resources, and well-defined accounting policies. **We recognize the relationship with your audit firm needs to reflect a true partnership. Routine questions, conversations, calls, and all meetings associated with our services, or occasional guidance on related matters, are included in the estimated fees.** The need for general discussion regarding industry trends or regulations is an essential part of that relationship. If significant additional time is necessary resulting from changes in the assumptions we relied upon to put forth this proposal, we will discuss it with you and arrive at a new fee estimate before we incur any additional costs.

### COST MINIMIZATION

Cost minimization is built into our audit process. We seek to be proactive and increase efficiencies year over year to keep fees low. Before your year end, we can send prepared lists of required information in advance to increase those efficiencies. Costs can also be reduced if we have the information necessary to complete the audit before fieldwork begins.

### AVERAGE STANDARD HOURLY RATES

Position	2019
Partner	\$360
Principal/Manager	\$275
Supervisor	\$190
Senior	\$170
Staff	\$130

*“Working with Brown Smith Wallace’s NPO team you have more of a partnership than I’ve experienced in working with a number of accounting firms over the last 20 years. There’s independence, there’s professionalism, but you’re working with people you enjoy and trust. There’s no arrogance; just a mutual respect shown for all levels of our team from theirs. You feel like you’re in this together—they have a true concern with the success of our agency. And we don’t have to train them, from year to year and one financial area to another—there’s always someone knowledgeable to help you.”*

**Mark Solari, Chief Financial Officer  
Youth In Need**

## **APPENDIX A: OTHER SERVICES**

## OTHER SERVICES



### QUICKBOOKS

We consider QuickBooks to be a premier business tax and accounting software. To support our commitment to helping your business grow, we have three QuickBooks ProAdvisors on staff. The specialized training our QuickBooks ProAdvisors receive enable us to provide fast, effective answers to your QuickBooks support problems. Our QuickBooks ProAdvisors are accountants and CPAs who have real world experience and understand the unique need of businesses that use QuickBooks. As a certified QuickBooks ProAdvisor, our expertise enables us to be able to provide support on an on-going basis. We can help you maximize your effectiveness and reporting.



### IT CONSULTING

Our Advisory Services practice includes cybersecurity consulting experts Tony Munns, FBCS, CITP, CIRM, CISA, and Bill Gogel, CISA, QSA, CBRM. With a broad spectrum of experience and qualifications, they work to help companies manage the risks associated with the use of technology. Common cybersecurity services include:

- Cybersecurity Risk & Control Assessments
- Penetration & Vulnerability Testing
- Social Engineering & Email Phishing



### BUSINESS PERFORMANCE CONSULTING

The Brown Smith Wallace Business Performance Consulting team can use integrated business solutions to help your organization accelerate growth and profitability while eliminating elements that drain resources and contribute to declining profits. The team's methodologies, including Lean Six Sigma, benchmarking and value stream analysis—a technique for eliminating waste—help organizations improve and optimize their business processes. Dave Contrera offers experience and proven strategies to help clients realize increased operational efficiency and higher profits.

During a business performance review, we start with an operational performance review to learn about various components of your business. We utilize fast track assessments that are designed to be completed within 5-7 business days to identify and prioritize the key service, capacity and risk challenges, and opportunities. The team shares their findings and then use process improvement techniques to devise a strategy that addresses your needs and aligns with your strategic plan. We assist with strategy implementation and development of tracking mechanisms to ensure you are meeting or exceeding your goals.

## OTHER SERVICES (CONTINUED)

### STRATEGIC PLANNING



Having a trusted and respected partner to help guide your assessment, strategy creation and implementation can be the difference between success and failure. If not addressed with a comprehensive and thoughtful approach, organizational challenges and risks can impact service delivery, accountability and reputation. A strategic plan that adapts with the organization can turn organizational structure challenges into solutions for long-term success.

A strategic plan is critical for future sustainability, improvement and growth. A plan can help clearly define the leadership roles, responsibilities and reporting structure within your organization and encourage staff retention. It also presents a unified, consistent voice for the organization.

Brown Smith Wallace Strategic Planning Services include balanced scorecard preparation and monitoring, culture change services, data analytics, education and team building, market analyses, financial projections, customer analyses, scenario planning, financing alternatives, dashboard preparation and monitoring, and competitor analyses.

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### PRINT REVIEW



Our print review service team has created a simple process to analyze the cost effectiveness of your print, direct mail and collateral material expenditures and identifying opportunities to reduce those costs. Once the results are gathered from the audit, we develop a detailed report showing your current annual spend and opportunity for annual savings. If requested, we can work with you to help realize those savings and positively impact your bottom line results. We eliminate unnecessary, pass-along mark-ups that companies often do not realize they are being charged.

## **APPENDIX B: ADDITIONAL SERVICES AND RESOURCES**

## ADDITIONAL SERVICES AND RESOURCES

### RESOURCES

We are committed to keeping you informed about issues that impact BSA. From newsletters to alerts on new and updated regulations, we regularly provide news and insights on current and important matters that deserve a deeper look. In addition to these regular insights, we offer several different briefings and events throughout the year that are meant to provide you additional information on subjects that you need to know about.

Our **NPO Speaker Series** utilizes in-house talent, as well as collaborations with industry leaders, to provide industry specific advice for anyone involved with a not-for-profit organization. The event is free of charge and has addressed topics such as fundraising fundamentals, health care reform, Form 990, and cybersecurity.

Additionally, **Brown Smith Wallace University** is a valuable way we continue to invest in our talented staff and add value for our clients through training and CPE. The mission of our University is to provide all employees of Brown Smith Wallace the development and growth opportunities desired. Our University training courses are also made available to our clients if you desire to learn more about the advent of new literature or technology.

**The Bridge** is an initiative for professional women of all career stages. The event series is a vehicle to connect women leaders of today and tomorrow through fun networking and professional development. Since 2014, thousands of women have attended our breakfast events and fall shopping event.

**All of our briefings and educational events offer at least 1 hour of CPE to attendees.**



## The Firm for Growth

Janet T. Ramey, CPA  
636.754.0231  
[jramey@bswllc.com](mailto:jramey@bswllc.com)

Ellen M. Norrenberns, CPA  
314.687.2310  
[enorrenberns@bswllc.com](mailto:enorrenberns@bswllc.com)

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6 CityPlace Drive, Suite 900 | St. Louis, Missouri 63141 | 314.983.1200  
1520 S. Fifth Street, Suite 309 | St. Charles, Missouri 63303 | 636.255.3000  
1254 University Drive, Suite 110 | Edwardsville, Illinois 62025 | 618.654.3100  
1.888.279.2792 | [brownsmithwallace.com](http://brownsmithwallace.com)



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