



PROPOSAL FOR  
PROFESSIONAL SERVICES



**Hochschild, Bloom & Company LLP**  
Certified Public Accountants  
Consultants and Advisors

January 23, 2019

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

Thank you for the opportunity to present our qualifications and proposal to the Botanical Society of America (BSA). We have reviewed your situation and have a good understanding of the scope of your needs.

As a Firm, we are committed to providing nonprofit and governmental services that will help our clients consistently maintain a high standard of recordkeeping, reporting, and operations. HB&Co. personnel have the experience and knowledge in providing various services to organizations similar to yours. The following is a list demonstrating our commitment to our similar organizations and specifically how we can meet your needs:

- ◇ BSA wants its auditors to be able to efficiently provide services to help meet deadlines and provide knowledge to BSA. Since our Firm maintains a concentration in nonprofit accounting, our audit staff understands your accounting issues.
- ◇ We have provided contact information on clients who have agreed to act as references regarding our services and to respond to other appropriate inquiries. These select clients are various organizations with operating structures and objectives similar to BSA.
- ◇ BSA wants comprehensive, proactive services from its audit team, whose approach is to not only provide accounting services, but also to provide management with a report on opportunities and problems identified in the course of the engagement.
- ◇ We are members of the Governmental Audit Quality Center which provides resources to maintain the highest level of quality nonprofit and governmental compliance, reporting, resources, and auditing.
- ◇ HB&Co. communicates and shares information to improve our clients' business. We provide regular follow-up, internet website information, newsletters, and tips to clients.

□ 15450 South Outer Forty Road, Suite 135, Chesterfield, Missouri 63017-2066, 636-532-9525, Fax 636-532-9055  
□ 1000 Washington Square, P. O. Box 1457, Washington, Missouri 63090-8457, 636-239-4785, Fax 636-239-5448

[www.hbclp.com](http://www.hbclp.com)

 **PrimeGlobal** | An Association of  
Independent Accounting Firms

- ◇ BSA wants a firm that will be able to provide the highest level of tax reporting to provide support for payroll, employee benefit programs, contributors, vendors, and customers. We have a tax department with research capabilities and the tax planning experience needed to help you when necessary.
  - ◇ We currently perform over 100 annual audits of nonprofit organizations, governmental entities, and employee benefit plans.
  - ◇ We have experience assisting a wide range of clients, from a sole practitioner to an organization with more than 2,500 employees and more than \$1 billion in assets.
  - ◇ We have consulting specialists which can help you with your special projects, if needed.
  - ◇ The Firm's leadership participates in programs that enhance our ability to provide accounting services:
    - A partner and a director are Certified Fraud Examiners
    - A partner has completed the American Institute of Certified Public Accountants (AICPA)'s Not-for-Profit Certificate I Program
  - ◇ We are members of PrimeGlobal, a worldwide association of independent accounting firms and business advisors that can provide additional national and international research capabilities and resources.
  - ◇ We have over 70 years of experience providing accounting, consulting, and tax services to not-for-profit organizations in the St. Louis metropolitan area.
  - ◇ Our Firm is a member of the AICPA. Within the AICPA we are members of the:
    - Not-for-Profit Section
    - Private Companies Practice Section.
- As members of certain Sections of the AICPA, HB&Co. must adhere to higher quality control audit and reporting standards than other CPA firms and the members are subject to regular peer review procedures established by the AICPA on which we have received the highest rating. Also, our most recent peer review resulted in no letter of comments issued, which is only achieved by the top quality firms. The fact that we have voluntarily taken on these responsibilities ensures that you receive the highest quality work available.
- ◇ Our Firm is one of the top 15 largest regional accounting firms based in the St. Louis area, according to the 2017 *St. Louis Business Journal*.
  - ◇ HB&Co. has an experienced, specialized team of nonprofit consultants who will work effectively and efficiently with minimum interference with BSA's business and provide the highest quality service at a reasonable fee.

Our client service team will consist of dedicated professionals all with extensive experience acquired in providing services to similar clients. This team includes audit partners, a manager, a supervisor, and associate professional staff members. This team has the ability and capacity to complete the work timely and efficiently. We have a flexible schedule and will work with BSA in a cooperative manner. We will also remain accessible and available throughout the year for consultation purposes and to answer questions from time to time. We are committed to staff continuity with our clients.

HB&Co. and its partners are proud supporters of our community. We are members of and support numerous community organizations and agencies.

HB&Co. is independent with respect to the Botanical Society of America.

We are interested in establishing a long-term relationship and would be happy to make arrangements to meet with you or provide additional information. We appreciate the opportunity to be of service to you and believe this proposal accurately summarizes the significant terms of our engagement. If you have any questions, please let us know.

Sincerely,

  
Angela E. Dorn, CPA  
Partner

Enclosure

**ACKNOWLEDGE:**

This proposal correctly sets forth the understanding of the **BOTANICAL SOCIETY OF AMERICA**. We acknowledge that either party may cancel this agreement or both parties may extend this agreement in subsequent years.

\_\_\_\_\_  
By

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

# BOTANICAL SOCIETY OF AMERICA PROPOSAL

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### **Citizens for Modern Transit**

Kim Cella, Executive Director  
911 Washington Avenue #200  
St. Louis, MO 63101  
314-231-7272  
KCella@cmt-stl.org

### **Services by Design, Inc. D/B/A Caring Solutions**

Madi Hawn, Founder and CEO  
1852 Craig Park Court  
St. Louis, MO 63046  
314-942-7350  
mhawn@caringsolutions.org

### **The American Board of Orthodontics**

Carole Newport, Executive Director  
401 N. Lindbergh Boulevard #300  
St. Louis, MO 63141-7839  
314-432-6130  
carole@americanboardortho.com

### **Community Council of St. Charles County**

Todd Barnes, Executive Director  
P.O. Box 219  
Cottleville, MO 63338  
636-978-2277  
tbarnes@communitycouncilstc.org

### **Women's Foundation of Greater Saint Louis**

Eulonda Nevels, President  
8816 Manchester Road #286  
St. Louis, MO 63144  
314-780-3956  
enevels@ywcastlouis.org

### **Grace's Place Crisis Nursery**

Amanda Jones  
P.O. Box 83  
Washington, MO 63090  
636-462-1313  
Amanda@GracesPlaceCrisisNursery.com

### **Pike County Senate Bill 40 Board**

Peter Breting, Executive Director  
900 Independence Drive  
Bowling Green, MO 63334  
573-324-6391  
www.pikesb40.org

### **Franklin County Area United Way**

Kim Strubberg, Executive Director  
Tim Tobben, Treasurer  
301 W. Front Street  
P.O. Box 3  
Washington, MO 63090  
636-239-1018  
kim@franklincountyuw.org

### **Franklin County Casa**

Glenda Volmert  
301 East State Street  
Union, MO 63084  
636-583-4422  
franklincasa@yhti.net

### **Community and Children's Resource Board**

Bruce Sowatsky, Executive Director  
2440 Executive Drive, #214  
St. Charles, MO 63303  
636-939-6200

**Lift For Life Academy and Gym, Inc.**  
**(a St. Louis Charter School)**

Marshall Cohen  
1731 South Broadway  
St. Louis, MO 63104  
314-231-2337

**West St. Louis County Chamber of  
Commerce**

Lori Kelling  
15965 Manchester Road, Ste. 102  
Ellisville, MO 63011  
636-230-9900

**Champ Clark Service Coordination**

Wendy Maclaughlin  
912 HWY 161  
Bowling Green, MO 63334  
573-324-6226

**Pike County Agency for Developmental  
Disabilities**

David Griffith, Executive Director  
900 Independence Drive  
Bowling Green, MO 63334  
573-324-3875  
[www.pikesb40.org](http://www.pikesb40.org)



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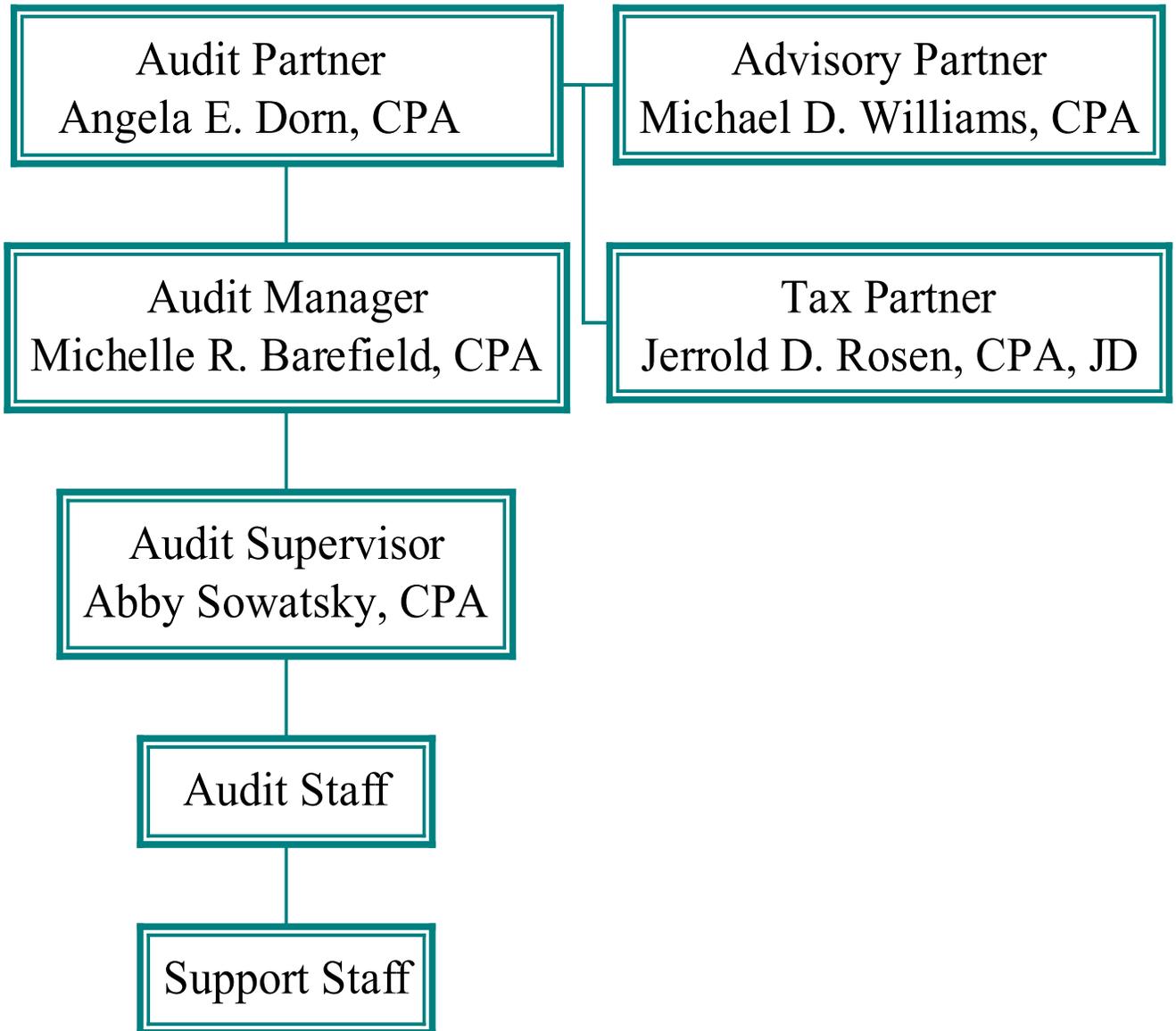
**SELECTION CRITERIA CHECKLIST -  
 RELIABILITY FOR YOUR GOVERNMENTAL AUDIT NEEDS**

<b>SELECTION CRITERIA</b>	<b>Hochschild, Bloom &amp; Company LLP</b>	<b>Firm No. 2</b>	<b>Firm No. 3</b>
The highest qualifications and reputation	✓		
Specialized governmental services team	✓		
Over 70 years providing governmental services	✓		
The most experience of a similar nature and current references	✓		
Personal involvement by firm partners and directors	✓		
Firm has multiple GFOA Special Review Committee members	✓		
Number of staff professionals with extensive governmental experience	✓		
Active member of Missouri Society of CPAs Governmental Committee	✓		
Meets requirements of <i>Government Auditing Standards</i> , issued by the Comptroller General of the United States	✓		
Competent and experienced consulting team	✓		
Online research capabilities and international affiliation	✓		
GFOA Certificate of Achievement experience	✓		
Flexible schedules to meet your needs	✓		
Similar grant audit experience to prevent loss of funding	✓		
Regularly performs governmental speaking engagements	✓		
“Clean” opinion on peer review to assure you of the highest quality services	✓		
Tax department for consulting support for payroll, employee benefit programs, and contributions	✓		
Provides regular communication on important information	✓		
Experience providing other needed services consulting	✓		
Member of the Missouri Municipal League, City Clerks Association, Missouri Municipal Attorney’s Association, and GFOA	✓		

**BOTANICAL SOCIETY OF AMERICA**  
**CLIENT SERVICE TEAM**

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We have designed a client service team that is familiar with BSA’s operations. Our service team has the qualifications and experience to provide the highest level of service in the field of nonprofit auditing, accounting, and consulting.



*Angela E. Dorn, CPA*  
*Partner*

**Professional Background And Responsibilities**

Angela E. Dorn joined Hochschild, Bloom & Company LLP in 2005 as a Supervisor of accounting and auditing. She was promoted to manager in 2007, director in January 2010, and became partner in January 2016. Prior to that time, Mrs. Dorn has been employed in public accounting firms as well as not-for-profit organizations in various locations throughout the United States. Mrs. Dorn has a broad range of experience in performing audits, reviews, compilations, and IRS Forms 990. Her areas of concentration include governmental and not-for-profit entities, including numerous governmental clients who successfully obtain the Certificate of Excellence in Financial Reporting. Mrs. Dorn oversees the Firm's Nonprofit marketing niche. Additional responsibilities include managing engagements, accounting research, professional staff supervision, review of client accounting and operating procedures, and organizing the Firm's in-house professional education seminars.

**Educational Background And Certification**

Mrs. Dorn graduated from New Mexico State University in 1982 with a Bachelor of Accountancy. Mrs. Dorn became a CPA in 1992 in the State of Nevada and is a licensed CPA in Nevada, Florida, and Missouri.

**Continuing Education**

Mrs. Dorn participates in professional development courses sponsored by the American Institute of Certified Public Accountants, the Missouri Society of Certified Public Accountants, various management seminars, and in-house courses. She has consistently exceeded the requirements of the profession. Her education has included accounting, auditing, taxes, government, nonprofit, and management services. She meets the annual requirements of governmental education and was a presenter at the 2011 and 2012 Missouri State GFOA Spring Conferences. In 2017, Ms. Dorn earned the Certificate of Educational Achievement for the AICPA's Not-for-Profit Certificate: Core Concepts.

**Professional Memberships**

Mrs. Dorn is a member of the American Institute of Certified Public Accountants. Additionally, she is a member of the Missouri Society of Certified Public Accountants, serving on their not-for-profit committee, and Treasurer of the Women's Foundation of Greater Saint Louis. She is actively involved with PrimeGlobal's Women's Leadership Conference. She is also Secretary of the Finance Committee of Immaculate Conception Parish in Dardenne Prairie.

*Michael D. Williams, CPA*  
*Partner*

**Professional Background And Responsibilities**

Michael D. Williams joined Hochschild, Bloom & Company LLP in 1987 and was accepted as partner in 1998 and became managing partner in 2018. He has managed work done for various organizations including service industries, manufacturing, and government/nonprofit agencies. He has reviewed audited financial statements for the Missouri State Board of Accountancy for issuance of consultant's reports concerning reporting deficiencies. Mr. Williams also performs audit, compilation, review, and taxation services for major clients of the Firm.

His client responsibilities include all aspects of accounting, auditing, tax, and consulting services. During each engagement under his direction, he reviews accounting and related operating procedures in order to furnish management with reports and advice regarding financial, internal control, and compliance issues.

He has been a speaker on technical subjects at various conferences including the GFOA St. Louis Chapter, Missouri County Treasurers' Association, and AAIM. Mr. Williams has co-authored various articles for publication.

**Educational Background And Certification**

Mr. Williams graduated from Southeast Missouri State University in 1987 with a Bachelor of Science degree in Accounting. He received his certificate (CPA certificate number 14421) in 1989 and is licensed to practice in the State of Missouri. In 1992, he was awarded the Certificate of Educational Achievement in the Governmental Accounting and Auditing Program of the American Institute of Certified Public Accountants (AICPA).

**Continuing Education**

Mr. Williams participates in various professional development courses and has consistently exceeded the requirements of the profession and of his specialties. He has also attended various in-house seminars and income tax workshops. In the last three years, he has attended conferences on detecting fraud, internal controls, grant program compliance, and employee benefits.

**Professional Memberships**

Mr. Williams is a member of the AICPA and Missouri Society of Certified Public Accountants. He is a current member of and was the chairman of the Missouri Society of Certified Public Accountants' Governmental Accounting Committee for six years and was its liaison member to the Technical Standards Review Committee. He has been a member of the GFOA Special Review Committee since 1992 and has reviewed audit reports for the Missouri Society of Certified Public Accountants' Technical Standards Review Committee. He is an active member of the Missouri GFOA St. Louis Chapter.

*Jerrold D. Rosen, CPA, JD*  
*Partner*

**Professional Background And Responsibilities**

Jerrold D. Rosen joined Hochschild, Bloom & Company LLP in 2000 as the director of taxation, and became partner in 2014. Mr. Rosen has also practiced law as a partner at a St. Louis law firm and has been a manager with a national CPA firm. Mr. Rosen has a broad range of experience in all aspects of taxation including tax compliance, tax planning, estate planning, and research. Mr. Rosen's areas of concentration include corporate and individual federal and state income taxation, retirement plans, compensation planning, estate planning, partnerships, and tax exempt organizations. His duties with the Firm include researching tax and tax-related issues, coordinating tax audits and IRS controversies, review of tax files and returns, presentation of client and in-house seminars, supervision of the Tax Department personnel, administration of the Tax Department and its internal procedures, and providing relevant tax information and updates to the Firm's tax and accounting staff.

**Educational Background And Certifications**

Mr. Rosen graduated from the University of Illinois, Urbana-Champaign in 1973 with a Bachelor of Science degree in Economics. Mr. Rosen graduated from the Washington University School of Law in 1976 with a Juris Doctor degree. Mr. Rosen was admitted to the Illinois Bar in 1976 and the Missouri Bar in 1987. Mr. Rosen passed the May 1978 CPA examination and received his CPA certificate (CPA certificate number 6702) from the Missouri Board of Accountancy in 1980. He is licensed to practice law in the States of Missouri and Illinois.

**Continuing Education**

Mr. Rosen has participated in professional development courses sponsored by the American Institute of Certified Public Accountants (AICPA), the Missouri Bar Association, the Bar Association of Metropolitan St. Louis, the Missouri Society of Certified Public Accountants (MSCPA), and Estate Planning Council. His education has included accounting, taxation, ERISA, and estate planning.

**Professional Memberships**

Mr. Rosen is a member of the AICPA, the MSCPA, the Missouri Bar, and Bar Association of Metropolitan St. Louis.

*Michelle R. Barefield, CPA*  
*Audit Manager*

**Professional Background and Responsibilities**

Michelle Barefield joined the firm of Hochschild, Bloom & Company LLP in October 2014 as a supervisor and was promoted to audit manager in July 2016. Prior to joining the Firm, she was an audit manager at a national public accounting firm and a tax accountant with a local public accounting firm. She has experience auditing governmental entities, non-profits, and public and non-public companies. Ms. Barefield performs compilations, reviews, audits, and taxation services for various clients of the Firm. She assist in the presentation of in-house professional development seminars and has presented at a MoCCFOA conference.

**Educational Background and Certification**

Ms. Barefield graduated from the Pennsylvania State University in 1989 with a Bachelor of Science degree in Accounting and is a CPA in the State of Missouri. She has worked in public accounting for 16 years.

**Continuing Education**

Ms. Barefield participates in various professional development courses throughout the year and receives at least 40 hours of Continuing Professional Education each year including governmental courses. She also attends various in-house seminars and income tax workshops throughout the year.

**Professional Memberships**

Ms. Barefield is a member of the Missouri Society of Certified Public Accountants and the West County Chamber of Comemrce.

*Abby Sowatsky, CPA*  
*Audit Supervisor*

**Professional Background And Responsibilities**

Abby Sowatsky joined the firm of Hochschild, Bloom & Company LLP in December 2013 as a staff accountant and was promoted to supervisor in 2016. She has experience auditing governmental entities, nonprofits, and employee benefit plans. Ms. Sowatsky performs compilations, reviews, audits, and taxation services for various clients of the Firm.

**Educational Background And Certification**

Ms. Sowatsky graduated from Truman State University in 2013 with a Master of Accountancy degree. Ms. Sowatsky became a CPA in 2014 and is licensed in the State of Missouri. Ms. Sowatsky is also a QuickBooks ProAdvisor.

**Continuing Education**

Ms. Sowatsky participates in various professional development courses throughout the year and receives at least 40 hours of Continuing Professional Education each year including governmental courses. She also attends various in-house seminars and income tax workshops.

**Professional Memberships**

Ms. Sowatsky is a member of the Missouri Society of Certified Public Accountants. Also, Ms. Sowatsky is a member of the Chesterfield Kiwanis Club since January 2018.

**BOTANICAL SOCIETY OF AMERICA**  
**AUDIT APPROACH AND TIMELINE**

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<u>Task Or Event</u>	<u>Estimated Completion Date</u>
<b>1. Pre-engagement activities</b> Planning conference Perform interim audit procedures Prepare a detailed audit plan Finalize list of schedules to be prepared by BSA Entrance conference with the Audit Committee Gain understanding of internal control Make preliminary judgment about materiality Consider engagement risk Review MIS, manuals, and related materials Determine walk through procedures and complete Determine confirmation requests needed, prepare and mail (by October 15)	02-08-2019
<b>2. Performing the fieldwork</b> Perform substantive audit procedures Review subsequent events Review for contingencies and obtain legal representation letters	03-06-2019
<b>3. Review and evaluation</b> Review workpapers Evaluate audit results Review financial statements Form opinion Prepare required client communications: Report on audit of financial statements Reports on internal controls and compliance Management letter Technical, final review	03-15-2019
<b>4. Draft reports to Audit Committee</b>	03-18-2019
<b>5. Review Report with Audit Committee</b>	03-22-2019
<b>6. Deliver final reports</b>	03-29-2019

### **Qualifications and Experience**

As noted in the transmittal letter and references list, our Firm has considerable audit qualifications and experience. Founded in 1946, our Firm has approximately 45 personnel and 15 professionals of our staff have substantial training and experience with governmental and nonprofit services.

Our professional team consists of full-time professionals all with extensive experience in providing governmental and nonprofit services. This team from our Chesterfield office includes three partners, a manager, a supervisor, audit staff, and support staff.

Our Firm is independent of BSA and its Board of Directors.

We have not had any complaints against the partners or personnel included in this proposal by the State Board of Accountancy or other regulatory authority.

Our technology includes very high level machines, software, and data lines. We have a paperless system and risk assessment software that provides a detailed and tailored audit program for each client. Our Firm has a full-set of on-line resources and international affiliations in order to provide the highest level of services.

### **Staff Commitments and Continuity**

Our Firm ensures technical competence of its staff by dedicating specialized expertise to individuals with broad experience and training. This targeted experience and training enhances the value of our services for our clients. Fifteen professionals of our staff have substantial training and experience in the nonprofit sector.

Our training and development programs include:

- A strong commitment to continuing professional education provided both internally and from a number of external sources.
- A library of technical materials and research sources (in print and online) to keep our staff abreast of the latest available guidance and tools to implement our engagements and research projects for clients.
- Active memberships in organizations and committees thereof that foster the sharing of experience and knowledge at all levels within the Firm.

Our staff turnover in the last three years has been minimal. We value our staff and want to make everyone at our office feel like they are part of a very caring team.

### **Our Engagement**

We will audit the financial statements of BSA, which are comprised of the statements of financial position as of September 30, 2017, the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements. Also, the supplemental information accompanying the financial statements will be subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole.

### **Audit Objectives**

The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles in the United States of America and to report on the fairness of the other supplemental information when considered in relation to the basic financial statements as a whole. The objective also includes reporting on:

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that: 1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of BSA's internal control or on compliance, and 2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the BSA's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such an opinion. We will issue written reports upon completion of our single audit. Our reports will be addressed to the Board of Directors of BSA. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add an emphasis-of-matter or other-matter paragraph. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or issue reports, or we may withdraw from this engagement.

### **Audit Procedure--General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from: 1) errors, 2) fraudulent financial reporting, 3) misappropriation of assets, or 4) violations of laws or governmental regulations that are attributable to BSA or to acts by management or employees acting on behalf of BSA. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a single audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from BSA's attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

#### **Audit Procedures--Internal Control**

Our audit will include obtaining an understanding of BSA and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

#### **Audit Procedures--Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of BSA's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

# BOTANICAL SOCIETY OF AMERICA

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## ENGAGEMENT PLAN

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of BSA's major programs. The purpose of these procedures will be to express an opinion on BSA's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

### **Other Services**

We will assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of BSA in conformity with accounting principles generally accepted in the United States of America and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will also provide consultation to you regarding budgeting, reserves, and Finance and Accounting Policies and Procedures.

We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal awards, related notes, and consultation. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities. We will advise management with regard to these services, but management must make all decisions with regard to those matters.

### **Management Responsibilities**

Management is responsible for: 1) designing, implementing, establishing, and maintaining effective internal controls, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; 2) following laws and regulations; 3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and 4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with accounting principles generally accepted in the United States of America; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us, and for the accuracy and completeness of that information. You are also responsible for providing us with: 1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, 2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, 3) additional information that we may request for the purpose of the audit, and 4) unrestricted access to persons within BSA from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and

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## ENGAGEMENT PLAN

in the aggregate, to the financial statements as a whole. You are responsible for preparing the financial statements including combining financial schedules and determining any eliminations.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting BSA involving: 1) management, 2) employees who have significant roles in internal control, and 3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting BSA received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that BSA complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow-up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review on February 8, 2019.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon or make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that: 1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; 2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; 3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and 4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplemental information, which we have been engaged to report on, in conformity with accounting principles generally accepted in the United States of America. You agree to include our report on the supplemental information in any document that contains, and indicates that we have reported on, the supplemental information. You also agree to include the audited financial statements with any presentation of the supplemental information that includes our report thereon or make the audited financial statements readily available for users of the supplemental information no later than the date the supplemental information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that: 1) you are responsible for presentation of the supplemental information in accordance with GAAP; 2) you believe the supplemental information, including its form and content, is fairly presented in accordance with GAAP; 3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and 4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplemental information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the

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Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, the schedule of expenditures of federal awards, and related notes and that you have evaluated the adequacy of our services and have reviewed and approved the results of the services, the financial statements, the schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

### **Engagement Administration, Fees, and Other**

We may from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

We will provide copies of our reports to BSA; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Hochschild, Bloom & Company LLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a cognizant grantor agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Hochschild, Bloom & Company LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

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The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the Cognizant Agency, Oversight Agency for Audit, or Pass-through Entity. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

Angela E. Dorn is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

We will have an entrance conference with management before fieldwork commences. We will provide a draft of the annual financial report and management letter before issuing the final version. Also, we will have an exit conference with management before issuing the final report.

Our fee for the financial statement audit services for the year ended September 30, 2017 would be \$16,000.

Our fees noted above are inclusive of all out-of-pocket costs, all related meetings with management, and periodic consulting concerning routine matters. Our additional fee for a Single Audit would range between \$5,000 - \$7,500 for each major program. Our fees for this engagement will be based on the actual time spent at our quoted hourly rates. Should this time at our standard hourly rates be less than our total fee noted above, we will bill you accordingly. We will be available for other consultations throughout the year at our standard hourly rates, or we may be engaged through a separate contract for other projects.

If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. (Factors causing additional time include grossly inadequate schedules, excessive audit journal entries, improper internal control procedures, missing records, additional funds or geographic expansion, and additional accounting pronouncements issued after the date of the proposal.) Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our Firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full.

We may continue to provide accounting and auditing services for years ending beyond September 30, 2017.

### Rate Schedule for 2017 Audit:

<u>Classification Of Personnel</u>	<u>Hourly Rates</u>	<u>Estimated Time</u>	<u>Total Dollars</u>
Partners/Directors	\$200 - 160	35	\$ 6,300
Managers/Supervisory Staff	150 - 100	105	13,650
Staff/Others	90 - 60	75	<u>5,625</u>
			25,575
Less - Discount			<u>(9,575)</u>
Total			<u>\$16,000</u>



Lisa M. Altschaffl, CPA  
 Jeffrey P. Anzovino, CPA, MSA  
 Charles A. Deluzio, CPA

Joseph E. Petrillo, CPA  
 Stacey A. Sanders, CPA, CSEP  
 Daniel W. Wilkins, CPA

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

To the Partners of Hochschild, Bloom & Company LLP  
 and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Hochschild, Bloom & Company LLP (the firm) in effect for the year ended May 31, 2018. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

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

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

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

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

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

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

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under Single Audit Act and audits of employee benefit plans.

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 Hochschild, Bloom & Company LLP in effect for the year ended May 31, 2018, 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. Hochschild, Bloom & Company LLP has received a peer review rating of pass.

*Deluzio & Company LLP*

Deluzio & Company LLP  
 August 24, 2018

