

# PROPOSAL TO PROVIDE FINANCIAL STATEMENT AUDIT SERVICES for



**BARNES DENNIG**

Accounting • Tax • Business Insight

2617 Legends Way Crestview Hills, KY 41017

**859.344.6400**

150 East Fourth Street, Cincinnati, OH 45202

**513.241.8313**

5750 Castle Creek Parkway, Suite 245, Indianapolis, IN 46250

**317.572.1130**

May 9, 2017

Jon Conrad  
Chief Financial Officer  
The Carroll County Board of Education  
813 Hawkins Street  
Carrollton, KY 41008

Dear Jon,

Thank you for considering Barnes Dennig to provide financial statement audit services for the entire fiscal year June 30, 2017 for the Carroll County Board of Education. Our services are delivered to you with an emphasis on providing insight beyond the numbers. To accomplish this goal, Barnes Dennig has assembled a team that will provide you with an audit of the highest quality. Namely, our team brings the following expertise to the table:

- Auditing under *Governmental Auditing Standards and Uniform Guidance*
- Significant experience auditing school boards and similar organizations that receive local, state and federal funding
- Governmental Audits within the Commonwealth of Kentucky, the State of Ohio, and the State of Indiana
- Audits of more than 200 governmental, non-profit and tax-exempt entities

Overall, Barnes Dennig is ranked as the fifth largest CPA firm in the region. Our depth of experience enables us to provide efficient service and value-added insight, while ensuring that all key risk areas are explored. We have a 30 member team that focuses primarily on governmental and not-for-profit organizations. This experience provides our non-profit clients with timely, efficient service and peace of mind that all ideas have been carefully considered.

Our in-depth knowledge of educational organizations is one of many reasons we believe we are the right firm to meet your needs for many years to come. The attached information highlights additional reasons. We look forward to further discussions with you.

Sincerely,



George S. Sparks, CPA  
Director



Eric J. Goodman, CPA  
Director

## THE CASE FOR BARNES DENNIG

Barnes Dennig has 27 owners called Directors. We provide audit, tax and advisory services for hundreds of companies and their shareholders. The firm has offices in Crestview Hills, KY, Cincinnati, OH and Indianapolis, IN.

Bob Barnes and Al Dennig founded the firm in 1965 on the belief that respect for employees and passion for client service are the twin pillars of a successful business. As our staff and client base have grown over the years, our service offerings have evolved accordingly – but always with a commitment to our clients, our people and the community.

Our “Client Bill of Rights,” client satisfaction interviews and engagement evaluation process help us ensure that we deliver exceptional service to clients, within the confines of professional standards. A copy of our Client Bill of Rights can be found in Appendix A.

→ **Knowledgeable Professionals** - Two of our Directors (owners) will be involved with your engagement and have handpicked the engagement staff based on their ability to provide timely and insightful service to your organization. Our audit approach, which is detailed in this proposal, ensures that communication is established early, and maintained throughout the course of the engagement so that all deadlines are met.

→ **Extensive Governmental and Not-for-Profit Experience** - Our dedicated Governmental and Not-for-Profit Client Service Team is comprised of seven Directors who have dedicated their careers to the needs of the firm’s governmental clients. They are empowered to make decisions in order to keep the process moving forward for their clients.

The 30-member Governmental and Not-for-Profit Client Service Team at Barnes Dennig works with more than 200 not-for-profit entities to provide financial statement audit, review, tax preparation and financial analysis. Our firm has consistently exceeded all industry standards for financial reporting quality, adheres to stringent continuing education standards and has a depth of expertise that virtually eliminates the traditional “learning curve” when presented with the toughest challenges.

→ **Client Service Report Card** - Since 1996, we’ve engaged a consultant to interview our clients annually to assess their satisfaction with the service we provide to them. In 2015, 71 of our clients gave us a 99% willingness to refer.

→ **Award-Winning Culture** - In 2010, 2011, 2012, 2013, 2015, and 2016 Barnes Dennig has been recognized as a “Top Workplace in Greater Cincinnati” by Enquirer Media. In 2007, 2009 and 2013 Barnes Dennig received the Alfred P. Sloan Award for “Business Excellence in Workplace Flexibility” – one of only a handful of recipients in Greater Cincinnati.

These honors are evidence of the firm’s ability to attract and retain talented professionals by fostering a culture of respect and individual development. Ultimately, our clients are better served by empowered people who are happy in their work.

→ **Primary Office for Work to be Performed** - The firm has offices in Kentucky, Ohio, and Indiana. The staff for this engagement will work out of our Crestview Hills office, located at 2617 Legends Way, Crestview Hills, KY 41017.

The primary contact on this engagement will be Director George Sparks, CPA. George can be reached at [gsparks@barnesdennig.com](mailto:gsparks@barnesdennig.com) or by calling 859.344.6400.

## PRIOR AUDITING EXPERIENCE

The 30-member Governmental and Not-For-Profit client service team at Barnes Dennig works with more than 200 governmental, non-profit and tax-exempt entities, representing nearly 20% of the firm's total client base. Our client service team is the largest group of accounting professionals in the region exclusively dedicated to serving governmental and exempt organizations year-round.

We perform audits for about 125 of our governmental and non-profit clients. This specialization helps our team understand the nuances of the governmental sector, so we can work efficiently and effectively to provide a quality review in a timely manner.

Our dedicated team of 30 Governmental and Not-For-Profit professionals conducts more than 40 audits under Government Auditing Standards annually. **We performed 14 school district audits in 2016.**

### → Experience in Accordance to Uniform Grant Guidance

We work with numerous organizations that receive extensive governmental funding and are subject to auditing in accordance with Uniform Grant Guidance formerly known as OMB Circular A-133 guidelines. This specialization of our firm helps our audit team understand the nuances of the procedures and execute the engagement accordingly.

### → Experience in Auditing School Boards

Listed below are representative audits Barnes Dennig has completed in the last five years:

- Boone County School District (Kentucky Government, Single Audit under Uniform Guidance)
- Campbell County School District (Kentucky Government, Single Audit under Uniform Guidance)
- Covington Independent School District (Kentucky Government, Single Audit under Uniform Guidance)
- Newport Independent School District (Kentucky Government, Single Audit under Uniform Guidance)
- Grant County School District (Kentucky Government, Single Audit under Uniform Guidance)
- Walton-Verona Board of Education (Kentucky Government, Single Audit under Uniform Guidance)
- Ludlow Independent School District (Kentucky Government, Single Audit under Uniform Guidance)
- Scott County Schools (Kentucky Government, Single Audit under Uniform Guidance)
- Trimble County Schools (Kentucky Government, Single Audit under Uniform Guidance)
- Gallatin County School District (Kentucky Government, Single Audit under Uniform Guidance)
- Trimble County School District (Kentucky Government, Single Audit under Uniform Guidance)
- Dayton Independent School District (Kentucky Government, Single Audit under Uniform Guidance)

## ENGAGEMENT TEAM

→ **Engagement Team** - Director **George Sparks** will lead the overall engagement, working closely with **Eric Goodman** who will serve as the concurring director, lending his experience in accounting and auditing matters, with a focus on governmental and not-for-profit organizations.

Manager **Tony Stertz** will work with Senior Accountant **Daniel Damonte** and Staff Accountant **Tricia Hart** to ensure a quality financial statement audit with an emphasis on providing insight beyond the numbers.

Additional information on George, Eric, Tony, Daniel and Tricia is available on the following pages.

### → **Staff Continuity Commitment**

Every effort will be taken to provide for staff continuity on your engagement team. If there is turnover on your engagement team, we pledge to make every effort to assign a new person to your team with an equal amount or more experience.

Our staff retention rate has been excellent, averaging more than 90% since 2005 – compared to a national average of 80% annually within the public accounting industry.

## GEORGE S. SPARKS, JR., CPA

### Director

George has more than 29 years of experience in public accounting and 21 years of experience in school board auditing. He began his career with a regional firm before co-founding his own firm, Bertke, Sparks & Kremer CPAs, which merged with Barnes Dennig in 2014.

George uses his strong business and analytical capabilities to help clients reach their goals and improve their business operations. His areas of expertise include auditing of financial statements and business consulting. He has in-depth experience in the audit and accounting realm and is a member of the firm's Accounting and Audit Quality Control Committee.

George leads the firm's Peer Review Practice and frequently assists other firms who need additional expertise on their peer review team. In addition, he has been asked to participate as a peer reviewer for the AICPA's Oversight Committee as part of its audit quality enhancement project. Also, George is a member of the Report Acceptance Body (RAB) Committee for Peer Reviews of the Kentucky Society of CPAs (KYCPA).

George is also a member of the Kenton County Parks and Recreation Board and the Northern Kentucky University Alumni Association. He's a past Committee Member of the Kenton County Judge Executive's task force to reform the County's Health Insurance Plan, the Northern Kentucky Chamber of Commerce Education Committee and past Treasurer.

George holds a Bachelor of Business Administration from Northern Kentucky University with a major in accounting.

His professional memberships include the American Institute of Certified Public Accountants, the Kentucky Society of Certified Public Accountants and the Ohio Society of Certified Public Accountants.



#### **Area of Focus:**

Governmental Audit  
Not for Profit

#### **Government Audit Experience:**

Covington Independent School District  
Boone County School District  
Newport Independent School District  
Grant County Board of Education  
Walton-Verona Board of Education  
Scott County Board of Education

#### **Professional Affiliations:**

AICPA  
KSCPA  
OSCPA  
RAB Committee for Peer Reviews of  
KYCPA

#### **Education:**

Northern Kentucky University  
Highland Heights, KY

**ERIC J. GOODMAN, CPA**

**Director**

Eric is an integral part of the firm's Governmental client service team. His auditing and accounting knowledge has been enhanced by working with clients on audit, review and compilation engagements.

Eric has more than thirteen years of experience with Barnes Dennig. His clients benefit from his strong work ethic, attention to detail and personable style of doing business. He has worked with clients in a variety of industries, including manufacturing, services and distribution, with special expertise in construction and real estate. He is also a member of the firm's Employee Benefit Plan Audit Team.

Eric serves on the firm's Assurance Quality Control Committee. In this role, he helps the firm deliver assurance services of the highest quality. In so doing, he provides clients and other financial statement users with increased peace of mind.

Eric graduated from Miami University with a degree in accounting. He is a Certified Public Accountant (CPA) licensed in the state of Ohio and holds membership in the Ohio Society of Certified Public Accountants (OSCPA).



**Areas of Focus:**

Construction  
Real Estate  
Employee Benefit Plan Audit

**Government Audit Experience:**

Boone County Public Library  
Covington Independent School District  
Boone County School District  
Newport Independent School District  
Grant County Board of Education  
Walton-Verona Board of Education

**Professional Affiliations:**

AICPA  
OSCPA  
AHACPA

**Education:**

Miami University  
Oxford, OH



## TONY STERTZ, CPA, MBA

### Manager

Tony has a broad range of accounting and auditing experience, working with organizations of various sizes in a variety of areas in the non-profit sector. He complements that experience with extensive technical training and excellent communication skills, which makes him a decided asset to the firm's clients.

As a Manager at Barnes Dennig, Tony has led audit and accounting engagements, prepared financial statements for various non-profit organizations and worked closely with the firm's Directors to assure exceptional client service. His non-profit experience includes A-133 compliance audits and financial statement audits with non-profits in the school board sector. He also has experience within the manufacturing and wholesale sectors.

Tony earned his CPA in 2011 and is a graduate of the Indiana University where he double majored in Accounting and Finance. He earned his Masters in Business Administration from Indiana University in 2010.



#### **Areas of Focus:**

Not-for-Profit  
School Districts  
Uniform Guidance formerly known as  
OMB Circular A-133  
Manufacturing  
Wholesale

#### **Governmental Audit Experience:**

Boone County School District  
Covington Independent School District  
Ludlow Independent School District  
Owen County School District  
Scott County School District  
Walton-Verona Independent School  
District

#### **Professional Affiliations:**

AICPE  
OSCPA

#### **Education:**

Indiana University  
Bloomington, Indiana



## DANIEL DAMONTE

### Assurance Senior

Daniel Damonte joined Barnes Dennig in 2014 and has three years of experience with Barnes Dennig. Prior to his start, he served as a co-op at another regional accounting firm from 2011-2013. During this time he gained experience conducting bookkeeping services and preparing financial statements. He also prepared corporate and personal tax returns and was engaged in audits, reviews and compilations for clients.

Daniel graduated from Northern Kentucky University in December 2013 with a Bachelor of Science in Accounting and a minor in Business Administration and Spanish (Daniel is fluent in both Spanish and English). He maintained a cumulative GPA of 3.67 while holding various leadership positions in his fraternity, Pi Kappa Alpha. Daniel is based in the firm's Crestview Hills, KY office.



#### **Areas of Focus:**

Not-for-Profit Audit  
Governmental

#### **Governmental Audit Experience:**

Campbell County School District  
Grant County School District  
Gallatin County School District  
Dayton Independent School District  
Newport Independent School District  
Bellevue Independent School District  
Trimble County School District

#### **Education:**

Northern Kentucky University  
Highland Heights, Kentucky

**TRICIA HART, CPA****Staff Accountant**

Tricia Hart joined Barnes Dennig in 2015 and works with the Barnes Dennig Assurance team in performing client audits, reviews, and compilations. Tricia has planned, performed, and supervised Uniform Guidance audits in compliance with Federal yellow book requirements. Over the past two years she has worked on seven school board audits and also has experience performing reviews and compilations of not-for-profit organizations, limited partnerships, community development corporations, and HUD based projects.

Tricia graduated from Northern Kentucky University in 2016 with a Master's Degree in Accounting.

**Areas of Focus:**

Not-for-Profit Audit  
Governmental

**Governmental Audit Experience:**

Campbell County School District  
Grant County School District  
Gallatin County School District  
Dayton Independent School District  
Newport Independent School District  
Bellevue Independent School District  
Trimble County School District

**Education:**

Northern Kentucky University  
Highland Heights, Kentucky

## UNDERSTANDING OF WORK TO BE PERFORMED (AUDIT WORK PLAN)

Based on your RFP, you are looking for the following from your CPA:

- Financial statement audit services for the Carroll County Board of Education

We are confident that we will provide high quality services based on our experience in dealing with organizations of similar size and scope to yours, our client satisfaction ratings and significant uniform guidance experience, and our audit software packages.

### → Audit Procedures & Phases of the Engagement

Barnes Dennig provides value to our clients by creating a custom audit approach that is based on a client's specific needs, risks and opportunities. Our audit approach under generally accepted audit standards is depicted in the graphic below.

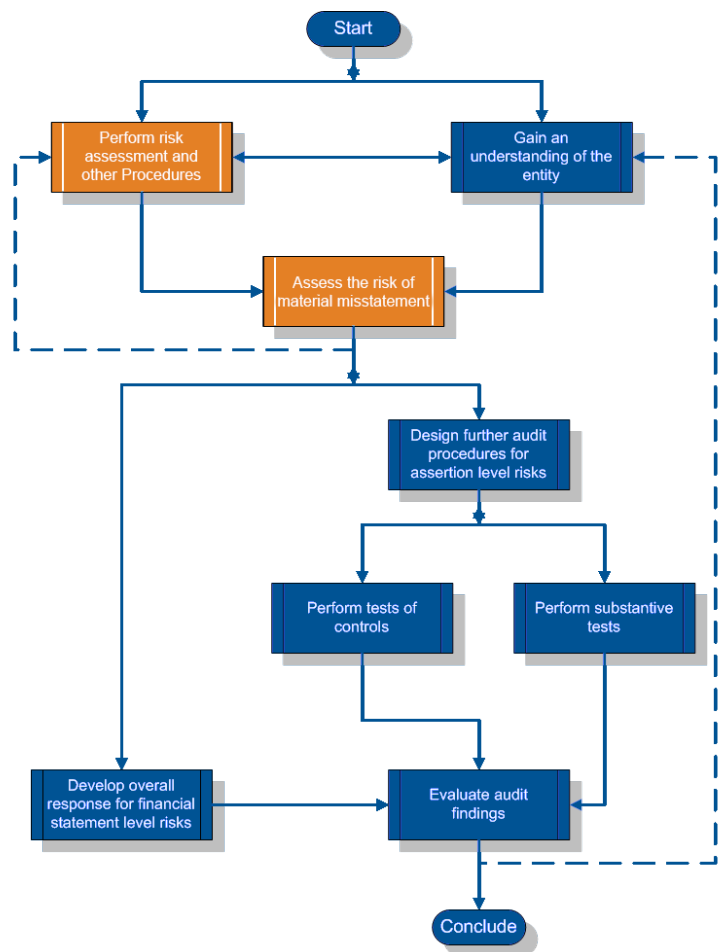
Our professional responsibility is to obtain sufficient audit evidence before an opinion is rendered on any financial statements. To achieve this, we will conduct our work in the following phases:

- Audit planning and risk assessment;
- Year-end fieldwork;
- Reporting;
- Closing conferences and formal presentation; and
- Certification of required HUD submissions.

Detail about each of these phases is listed on the following pages.

### → Audit Planning and Risk Assessment

No other phase of the process affects the success of an engagement more than the time spent in planning the general scope and direction of the audit, including assessing the risks of financial statement misstatements. We will schedule audit planning and interim fieldwork to be done prior to final fieldwork with your personnel.

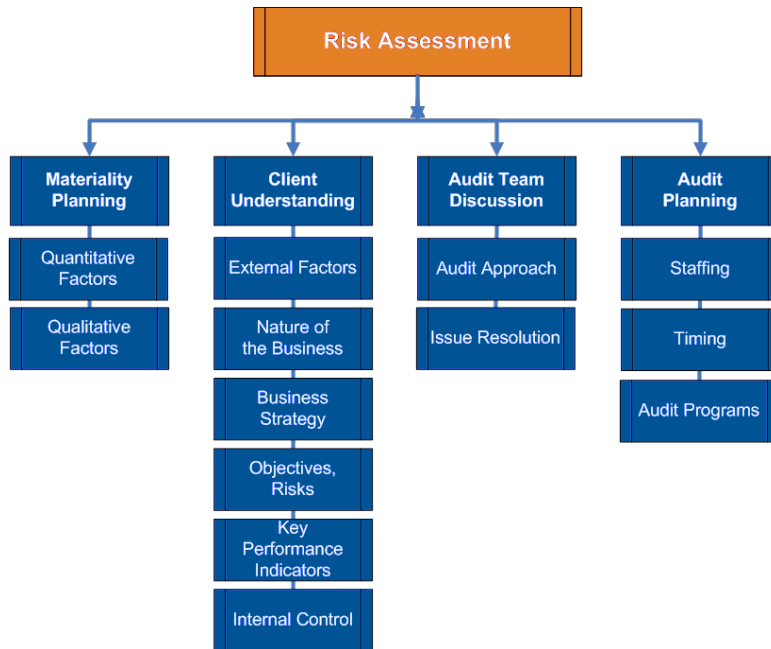


We will hold a planning session with the key members of our engagement team and your personnel.

During our planning session with management, we will also address Statement on Auditing Standards (SAS) No. 99, "Consideration of Fraud in a Financial Statement Audit." This auditing standard requires that we conduct certain meetings and interviews and perform and document certain procedures for identifying and responding to fraud risks.

As part of the audit planning and risk assessment phase of the audit, we request a meeting with the CFO/Audit Committee to discuss our planned audit approach, significant audit and accounting issues and to address any concerns members of the above groups might have.

As part of that process, we will conduct a pre-audit conference with management to discuss the scope and timing of the audit.



The risk assessment audit standards require assessments based on an understanding of internal controls over your financial reporting and determination of the areas that present risks of material misstatement to your financial statements. We then design our audit approach to include tests of specific internal controls and substantive audit procedures which are tailored to the identified risks. Our risk assessment includes consideration of the factors depicted on the chart to the left.

**→ Year-End Fieldwork**

During the year-end phase of our audit, we will complete our audit work based on the audit programs designed specifically for your organization. This will include the results of our risk assessment and interim testing results, and we will issue a report on the financial statements in a timely and efficient manner.

**→ Reporting Phase**

This phase will include:

- Reviewing the financial statements and agreement to underlying audited records;
- Evaluating the financial statements for compliance with GAAP requirements;
- Formulating an opinion as to the fair presentation of the financial statements; and
- Preparing management letter with recommendations and communication letter to the Board.

**→ Audit Focus**

Based on our audit experience with similar organizations, the primary areas of audit focus in a typical year include:

- Cash and investments;
- Capital assets;
- Long-term debt and other liabilities;
- Compliance with purchasing and expenditures policies and controls;
- Compliance with laws and regulations;
- Compliance auditing of major Federal programs;
- Any special transaction or situations with financial management or reporting significance;
- Commitments and contingencies;
- Implementation of pronouncements of the Governmental Accounting Standards Board (GASB); and
- Reporting in the financial statements in accordance with U.S. Generally Accepted Accounting Principles.

**→ Closing Conferences and Formal Presentation**

We believe regular communication with management will be a critical part of the success of our audit engagement. Therefore, we will provide regular updates to management regarding the progress of the audit during meetings with key personnel.

Additionally, the engagement partner will meet with management to review any potential adjusting journal entries, drafts of the management and communication with those charged with governance (SAS 114) letters, and a draft of the financial statements, as prepared by management.

We will complete our work in sufficient time to meet the applicable deadlines each year. We will make a formal presentation of the audit results and reports to the Board of Directors and be available to respond to their questions.

## TIMELINE AND FEE INVESTMENT

→ **Fee Investment** - We determine our fees based on the complexity of work performed, the scope of services, our estimate of time spent and the level of professional staff needed. The fee we are proposing for the service required is an important factor in the decision-making process. Ultimately, we believe that the most important factors are the quality of the work we provide and our reputation in the community.

The following is a breakdown of our estimated fee for the service discussed:

Service	2017 Fees
Financial Statement Audit	<b>\$21,000</b>
Out-of-Pocket Expenses (see below)	<b>Included</b>
Periodic Calls and Meetings with management and/or Board members	<b>Included</b>

\*The discounted cost reflects a 15% discount on our standard hourly rates (defined below), which is offered to the Carroll County Board of Education.

### → Billing Policies and Procedures

Invoices are rendered as significant engagement milestones are achieved. Our billing terms are net 30 days. Alternative billing arrangements are available including quarterly and monthly. Please let us know what your needs are and we will make every effort to accommodate them.

### → Assistance Required

Prior to our fieldwork, your staff would prepare the confirmations using templates that we provide and other documents that we request (PBC's). Communication on the front end minimizes your time commitment. We understand that your staff have other duties that must be taken care of on a daily basis.

### → Out of Pocket Expenses

The fees outlined above are based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered. Out-of-pocket expenses are not anticipated for this engagement.

Should you require extensive services beyond the scope of this proposal, we will develop a separate fee estimate and work will not proceed until we receive your approval. Charges, if any, are billed monthly.

## ASSURANCES AND FAMILIARITY WITH RULES AND REGULATIONS

### → A Commitment to the Highest Quality Standards

We are committed to achieving the highest quality and most efficient audits possible with our specialized team of auditors. The Governmental Audit Quality Center provides access to comprehensive resources on a variety of technical, legislative and regulatory subjects that we can apply to your audit to help ensure compliance with the appropriate standards and changes in regulations.

By joining the Center, we are committing to adhere to the highest quality standards by voluntarily agreeing to the Center's membership requirements. These include designating a partner responsible for the quality of our audit practice, establishing quality control programs, performing annual internal inspection procedures, and making our peer review report findings publicly available.

### → Federal and State Quality Reviews

Barnes Dennig has passed all reviews performed by state and Federal quality control reviewers. M. None of the personnel listed in this proposal, nor any other staff member at Barnes Dennig, has any complaints against them by any regulatory authority. Barnes Dennig has never had any disciplinary action against the firm.

### → PCAOB Issues Clean Report

In late 2015, Barnes Dennig received a "clean" inspection report from the Public Company Accounting Oversight Board (PCAOB). This means the inspection of the firm's SEC audit practice did not identify any audit performance issues or quality control defects ("clean report"). We are the only firm headquartered in the area that currently holds the rare designation.

The results provide the community with the assurance that our approach, policies and processes result in strength through quality in our audit work. A recent empirical study has demonstrated that increased reporting credibility, which is achieved by using a PCAOB inspected firm, has resulted in companies having greater access to capital.

### → Independence

The leadership team of the firm reviewed the list of board members and officers of the organization with respect to independence. Based on this, we have concluded that Barnes Dennig is fully independent of the Carroll County Board of Education for the purposes of providing the agreed upon procedures.

### → Peer Review Exceeds Industry Standards

Our firm has consistently exceeded all industry standards for financial reporting quality, as evidenced by our peer review history. In 2015, for the eighth reporting period in a row (covering 24 years), we received the highest possible rating as established by standards of the American Institute of Certified Public Accountants. A copy of the most recent peer review document is attached as Appendix B.



## CLIENT REFERENCES AND CONCLUSION

### → References

<b>Covington School District</b>
25 E. 7 <sup>th</sup> St., Covington, KY 41011
<b>Annette Burtschy</b> , (859) 392-1016
<b>Gallatin County Schools</b>
75 Boardwalk, Warsaw, KY 41095
<b>Kelley Gamble</b> , (859) 567-4528
<b>Scott County Schools</b>
2168 Frankfort Pike, Georgetown, KY 40324
<b>Randall Cutright</b> , (859) 863-3663
<b>Boone County Schools</b>
8330 US Highway 42, Florence, KY 41042
<b>Linda Schild</b> , (859) 282-3663
<b>Grant County Schools</b>
820 Arnie Risen Blvd., Williamstown, KY 41097
<b>Matt Morgan</b> , (859) 824-3323

### → Conclusion

We believe Barnes Dennig is the right choice based on the depth of our qualifications:

- **Adding Value** – Our goal is to add value to our client relationships by providing insight and ideas that will help you provide assurance to the payers. In addition, we can provide guidance on IT security and other best practices based on our experience.
- **A Deep Well of Knowledge** – Our CPAs have extensive experience with Uniform Guidance and governmental auditing. We will provide a comprehensive, high quality audit.
- **Fieldwork Efficiency** – We send experienced and well-trained staff so you don't have to answer basic questions and teach our people about accounting for governmental organizations.
- **Depth of Management Letter** – We provide insightful and helpful ideas based on experience gained from serving governmental clients and clients requiring audits in accordance with Uniform Guidance.
- **Service is a High Priority** – Client service and accessibility are the hallmarks of our firm.

This proposal is offered as a starting point to aid further discussion regarding your relationship with Barnes Dennig.

Thank you again for your consideration of Barnes Dennig. We believe we've built a compelling case as to why our firm is very well suited to serve your needs. We are grateful for this opportunity, and we look forward to meeting your needs now and well into the future.

## **ATTACHMENTS AND APPENDICES**

Below are the appendices referenced throughout this proposal for your review.

Appendix A – Client Bill of Rights

Appendix B – Peer Review

Appendix C – Kentucky Practice License

Proposal to Provide Financial Statement Audit Services for



Client Bill of Rights  
Appendix A



## CLIENT BILL OF RIGHTS

- Your client service team will take a proactive approach to help you look for ways to save money. We will monitor industry and regulatory trends, and help you plan accordingly.
- To the extent it is feasible, we will maintain a core group of professionals to serve your account — ensuring continuity of service and a thorough, ongoing understanding of your needs.
- We will diligently guard the confidentiality of the information with which we are entrusted. We will abide by the highest standards of integrity and objectivity in adhering to the laws that govern our profession.
- The goal of our firm is to provide ideas and insights for our clients. These ideas and insights may minimize tax burdens and improve business processes, leading to a better future.
- Barnes Dennig will be a dedicated resource to assist in capitalizing on opportunities created through information technology.
- We will proactively seek feedback to determine client satisfaction level, and strive to exceed expectations. Our clients are encouraged to provide feedback at any time, to any member of the firm.
- Every phone call will be returned expeditiously.
- If your designated contact is not available, you will always have access to a backup resource. Your primary contact will assume responsibility for making sure your needs are met at all times.
- Barnes Dennig professionals will continuously improve through advanced training within their respective fields, thereby providing greater value to the clients we serve.

## VISION

---

To be the firm of choice for progressive organizations within our market, and the employer of choice for talented professionals seeking a rewarding career.

## MISSION

---

Empowering individuals and organizations to achieve financial success.

We will do this through:

Instilling **PEACE OF MIND** and complete confidence that we will understand, monitor and cultivate your business interests.

Enabling people to **WORK SMARTER, NOT HARDER** through practical advice that will produce the greatest return on time and resource investment.

Earning the status of **TRUSTED BUSINESS ADVISOR**, through open communication, independent counsel, and proactive problem solving.

## CORE VALUES

---

- Honesty
- Integrity
- Trustworthiness
- Respect for our people
- Continuous improvement
- Quality client service

Proposal to Provide Financial Statement Audit Services for



Peer Review  
Appendix B



## System Review Report

To the Partners of  
Barnes, Dennig & Co., Ltd.  
and the National Peer Review Committee of the AICPA

We have reviewed the system of quality control for the accounting and auditing practice of Barnes, Dennig & Co., Ltd. (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended June 30, 2015. 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. As part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. 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. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based upon our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary).

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*, audits of employee benefit plans, and examinations of service organizations [Service Organizations Control (SOC) 1 and 2 engagements].

In our opinion, the system of quality control for the accounting and auditing practice of Barnes, Dennig & Co., Ltd. applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended June 30, 2015, 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*. Barnes, Dennig & Co., Ltd. has received a peer review rating of *pass*.

*Weaver and Tidwell, LLP*  
WEAVER AND TIDWELL, L.L.P.

Dallas, Texas  
October 30, 2015

Proposal to Provide Financial Statement Audit Services for



Kentucky License  
Appendix C



***Commonwealth of Kentucky***

**Kentucky State Board of Accountancy  
Certified Public Accounting Firm License**

Barnes, Dennig & Co., Ltd.

*This is to certify that the above named firm holds an active license in good standing through August 1, 2018.*



Firm License No. 1346

*Margaret D. Combs, CPA*  
Secretary/treasurer

