

Proposal for
Acadia Parish Police Jury

August 29, 2016

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August 23, 2016

Acadia Parish Police Jury
P.O. Box A
Crowley, LA 70527-6001

We appreciate the opportunity to submit a proposal to provide audit services to the Acadia Parish Police Jury. We believe that developing a productive relationship with clients involves trust and collaboration.

We strive to provide the highest quality of service based upon our experience, training, and dedication to delivering a timely product. Since governmental organizations represent a major segment of our practice, we have a significant commitment to this group of clients. This enables us to address your unique needs in an efficient manner.

In particular, we measure client service success not by the number of clients served, but rather the range of services provided to those served. That service philosophy continues to drive our focus and is reflected in the client longevity that we have enjoyed.

Our experience is that size does not equate to service excellence. Personalized service delivered with extensive partner level involvement has proven successful in our relationships with those we serve.

We expect to deliver exceptional service to the Police Jury. The expense of our services, when correlated with the value of the long-term benefits derived from our association, will represent an excellent exchange for you.

Additionally, the Police Jury will represent a valued affiliation for our firm, and as such, you will receive the attention that a premier client commands.

We have enclosed your requested information about our firm and the services we believe Faulk & Winkler can provide to the Police Jury. Thank you and we look forward to your acceptance of this proposal.

Yours Truly,

Faulk & Winkler, LLC

Certified Public Accountants
Baton Rouge, Louisiana



About Faulk & Winkler LLC

Faulk & Winkler, LLC was established in 1984 and is a Baton Rouge-based public accounting firm committed to providing practical solutions through close personal attention. Currently, our staff consists of 49 people, including 21 certified public accountants and seven partners. Our philosophy is to maintain sufficient staff to provide the resources to effectively meet the continuing needs of our clients. Additionally, we have been selective as to growth to maintain the hands-on involvement of our partners in client matters. This philosophy is a foundation to our continuity of service.

Firm Services

Our firm provides a variety of services to a number of industries. Our service philosophy is founded by our firm mission and values.

Our Mission:

"To proactively impact the well-being of those we serve."

Our Values:

We are committed to:

- Providing proactive services founded on trust, integrity and objectivity,
- Growing intimate relationships with clients and teammates,
- Living our values with our clients and teammates to create an environment that provides enjoyment and fulfillment.

Specific services provided by the firm are as follows:

- Audit and attestation
- Internal control review and development
- Outsourced controllership/CFO
- Planning and budgeting
- Corporate accounting
- 401k plan administration
- Tax strategies and compliance

We serve several industries, most notably:

- Governmental
- Nonprofit
- Distribution/inventory based businesses
- Healthcare
- Professional service firms

As financial partners, we are involved with our clients in on-going assistance that influences their business decisions. These types of services range from accounting oversight and assistance, budgeting, internal control and accounting process design, tailored financial reporting, corporate planning, due diligence relating to mergers and acquisitions, and regulatory compliance.

Technology

We utilize the latest technology available through personal computers and related software programs to achieve efficient and effective analysis, including electronic work-paper programs and cloud based software platforms. As such, we will request internet connectivity at your office so that we will be able to access our work-papers which is maintained on a cloud based system.

Furthermore, since our firm is employed by several organizations to serve as their outsourced CFO/Controller, we are familiar with several accounting platforms, including Abila MIP Fund Accounting software. As a result of this experience, we will be able to analyze your accounting system and offer opportunities for technology utilization that may provide for operational efficiencies in your current operations.

Quality Control Review

Enclosed is our latest external quality control review dated November 6, 2014. We are proud that we received the highest rating of pass.

Experience and Knowledge

The distinguishing characteristic of our relationships with clients has been the depth of our involvement. The foundation of this approach has been the application of three basic principles that concern all successful organizations – *how can revenues be enhanced, how can maximum benefit be derived from expenditures and how can peace of mind be secured* - in this increasingly competitive world.

Specifically, our experience includes long-term relationships with the **Parish of Ascension**, the **City of Central** and **Pointe Coupee Parish Police Jury**. Our experience also includes relationships with the following governmental entities:

- St. James Parish Government
- Town of Maringouin
- Town of Livonia
- Town of Sorrento
- City of St. Gabriel
- Municipal Police Employees Retirement System
- Ascension Parish School Board
- East Feliciana Parish School Board
- West Baton Rouge Parish School Board
- Ascension Parish Assessor
- Louisiana State University Alumni Association

These governmental units are able to attest to our ability to provide services based upon a relationship that addresses their unique situation. The distinguishing characteristic of our industry specialization, however, has been in areas beyond the traditional compliance audit that these organizations require. These services include the following:

- **Governmental Auditing.** Our service team performs audits for local governments and nonprofit entities in accordance with generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States, the Louisiana Governmental Audit Guide and OMB Circular A-133 relating to federal funding, and are approved certified public accountants by the Louisiana Legislative Auditor. As a result, we are familiar with your compliance and reporting requirements.
- **Compliance with GAAP, GASB, FASB accounting requirements.** We prepare financial statements with related footnote disclosures for both audit and non-audit clients.
- **Develop accounting policies and procedures.** Our approach with governmental units has been that we have considerable involvement in their accounting processes and procedures. As such, we have the opportunity to make recommendations in any number of areas concerning their design and compliance with accounting policies and procedures.
- **Assist in budgetary compliance, planning and administration.** We prepare and present budgets for other governmental clients for review and input as well as specific assistance, if necessary. The most active involvement has been with budgetary planning to maintain expenditures consistent with revenues to prevent over-spending thereby jeopardizing statutory as well as operational considerations. Furthermore, such planning has facilitated cash management. Our budgeting assistance also included development of capital outlay project budgets financed with grant and debt funding.

Interim financial reporting has included meetings to review operating results with management for timely adjustment without fluctuation in the level of operations for programs.

- **Outsourced CFO/Controllershship.** We have expanded our services in the governmental area to include outsourcing of critical functions. In particular, we are involved with leadership in the financial area to include: meeting with financial managers and elected officials to address financial concerns, preparation of tailored monthly financial reporting for operations management, monthly reconciliation of the general ledger, managing cash disbursements, budgeting, payroll and other on-going tasks required by governmental entities.
- **Accounting services.** Currently, we are providing “hands-on” assistance with monthly accounting. We have a team of accounting specialists specifically assigned to providing accounting assistance to a variety of clients.

- **Quarterly and annual financial statements and reports.** We are currently providing this assistance during our meetings with Parish Presidents, Managers and Mayors, Councils, School Systems and Police Juries. Such assistance includes presentation of financial statements to monthly Council/Finance Committee meetings. We also coordinate the year-end financial statement preparation for audit purposes including facilitation of work papers used by annual auditors.

Other Significant Services

- Centralized cash management to achieve enhanced investment yield and operational efficiency. Significant increase in investment income has been enjoyed from the pooling of fund cash balances combined with effective cash and investment management programs that provide more effective investment without increasing investment risk.
- Revenue enhancement to maximize the amount of resources available through government ordinances for the collection of funds. One such area has been the collection of occupational license revenue generated from insurance companies where we have experienced success in recovering unpaid amounts from primarily out-of-state insurance companies.
- Technology consultation. Achieving efficiency with the use of computers and related software is an area that governments have typically lagged behind industry. We have been assisting these agencies with the effective use of such technology to include the development and selection of accounting software and databases.
- Financial reporting. Data of any sort is insignificant if not presented accurately, timely and in a manner that can be easily understood by a user with limited financial knowledge. Our experience with public entities can assist you in implementing procedures in order to report to your governing body. By achieving more accurate, timely and comprehensible reporting, decisions can be made proactively to achieve better results.
- Structure internal control systems to safeguard assets and generate financial statements.

These kinds of projects have a foundation based on our abilities in performing the traditional compliance audit and the relationship that we are able to develop with those we serve. Furthermore, it underscores our commitment to provide a level of service that makes a difference to those employing our firm.

Our experience in providing these services has provided us with knowledge, as auditors and as outsourced controllers, working with clients who maintain diverse investment portfolio strategies.

Finally, through the relationships we have built in our 30+ years in business in the Baton Rouge and surrounding communities, we have access to various professional service providers, including actuaries that we can utilize to assist with this engagement.

References

Ms. Gwen Leblanc, Treasurer/CFO
225-450-1004
Parish of Ascension
615 E. Worthey Rd.
Gonzales, LA 70737

Ms. Rebecca Mayeux, Treasurer
225-638-9556
Pointe Coupee Parish Police Jury
P.O. Box 290
New Roads, LA 70760

Ms. Demi Vorise, Mayor
225-625-2630
Town of Maringouin
P.O. Box 10
Maringouin, LA 70757

Mr. Mike Lambert, Mayor
225-675-5337
Town of Sorrento
8173 Main Street
Sorrento, LA 70778

Ms. Kathy Bourque, Director
225-929-7411
Municipal Police Employees Ret. System
7722 Office Park Blvd.
Baton Rouge, LA 70809

Mr. Carlos Sam, Superintendent
225-683-8277
East Feliciana Parish School Board
12732 Silliman Street
Clinton, LA 70722

Mr. I.M. "Jr." Shelton, Mayor
225-262-5000
City of Central
13421 Hooper Road, Ste. 9
Central, LA 70818

Mr. Timmy Roussel, President
225-562-2279
Parish of St. James
P.O. Box 106
Convent, LA 70723

Mr. Troy Chutz, Mayor
225-637-2981
Town of Livonia
P.O. Box 307
Livonia, LA 70755

Mr. Lionel Johnson, Jr., Mayor
225-642-9600
City of St. Gabriel
P.O. Box 597
St. Gabriel, LA 70776

Ms. Diane Allison, Director
225-391-7073
Ascension Parish School Board
1100 Webster Street
Donaldsonville, LA 70346

Mr. M.J. "Mert" Smiley, Assessor
225-647-8182
Ascension Parish Assessor
828 S. Irma Ave. Ste. 102
Gonzales, LA 70737

Audit Approach

We anticipate conducting the audit in three major phases:

Audit planning and interim procedures

These audit procedures generally include, but are not limited to the following:

- Internal control procedures review,
- Preliminary audit planning and procedural set-up,
- Preparation of confirmations for cash, investments, accounts receivable and other liabilities,
- Detailed revenue and expense testing including sampling determination,
- Compliance testing on various laws and regulations impacting your organization,
- Property test work, including depreciation,
- Preparation of financial statements and related footnotes.

Our review of internal controls will primarily consist of inquiry of the staff and transaction testing. We will inquire as to the processes and computer applications used in the performance of the accounting functions. We will complete internal control questionnaires, flow of funds memorandums and prepare flow charts which will be reviewed with you and your staff. We can use these flowcharts to customize our audit procedures as well as assist in preparing a meaningful management letter at the conclusion of the audit.

We utilize our review of internal control procedures to assist us in a risk analysis on your account balances and transactions processes. Our risk based approach determines the extent of the use of analytical procedures, testing of the balances and transactions and method(s) of sampling we will perform. Typically, we utilize software applications to provide us with statistical analysis and random sample methods to select the most representative sample of items which we plan to test.

We anticipate the planning and internal control review to be conducted during December 2016 or January 2017, based on your availability. We anticipate spending approximately one to two weeks at your office for this phase of the engagement that will be approximately 100 hours. We plan to staff this phase of the engagement with one staff auditor and one audit manager.

Audit fieldwork

We anticipate initiating fieldwork mid-March for us to conclude the audit procedures within your scheduled timeframe. Our audit fieldwork will include completion of the procedures developed in the planning phase as they relate to the year end balances and finalization of the draft financial statements and management letter, if applicable. We typically use confirmation and analytical procedures to test revenues. Expenses are tested based upon our risk assessments through analytical procedures and detailed transaction tests.

Prior to leaving your office, we anticipate that drafted financial statements will be reviewed with management, including any proposed audit adjustments. This review will allow for an appropriate dialogue to complete the financial report in the most accurate and beneficial manner. We plan that this phase of the engagement will conclude mid-April.



This portion of our engagement is expected to be approximately 400 hours. We plan to staff the engagement during this phase with 2 staff auditors and one audit manager.

Completion

As stated above, our goal is to deliver a draft financial statement to management prior to leaving your office at the conclusion of audit fieldwork. As such, we do not anticipate significant time to accumulate once we have exited your office. We will review the results of the audit with you and obtain your approval prior to finalizing the report and management letter, if applicable.

During the audit process, an experienced manager will be onsite to answer questions and discuss any audit issues that arise. Additionally, our Audit Partner, Jacob Waguespack, will coordinate the audit progress, review the execution of audit procedures, reporting and be available to address any areas of concern.

We have budgeted approximately 100 hours for the completion stage of the engagement. Basically, this phase includes final workpaper review, and report preparation and delivery.

We expect to conclude our completion phase by no later than May 15, 2017 and deliver the final report to the Police Jury by June 15, 2017, as requested. After presenting the report to the Police Jury, we will electronically submit the report to the Louisiana Legislative Auditor before the June 30, 2017 due date. Our firm has an excellent record of filing audit engagement timely to the Louisiana Legislative Auditor's office.

Faulk & Winkler Fees

Our focus is to provide maximum value for the fees you incur. As such, we are acclimated to those issues that are of concern to you and are very conscious of our responsibility to you from a professional as well as a practical perspective. Our philosophy regarding fees parallels our service philosophy. As financial consultants, fees are structured in a manner conducive to an on-going, interactive relationship. In this manner, you are able to communicate with us on issues important to achieving your financial success. The value of our services becomes the mutual relationship.

Work is assigned to the most appropriate individual based on complexity and the nature of the task assigned. Furthermore, work is managed in a proper manner so that tasks/projects are completed in an effective manner that is beneficial to our clients.

We estimate the engagement will require the following level of staffing:

	<u>Budgeted Hours</u>
Partner	109
Manager	118
Staff/seniors	<u>364</u>
Total hours	<u><u>591</u></u>

Our fees for audit services for the year ending December 31, 2016 are as follows:

Financial Statement Audit	\$ 88,275
Single Audit	<u>8,100</u>
Total fees	<u><u>\$ 96,375</u></u>

Proposed Service Team



Jacob Waguespack, CPA, is an audit partner with more than 12 years of experience in public accounting. Jacob focuses his efforts on working with governmental and nonprofit entities and closely-held businesses. Jacob is responsible for reviewing accounting processes and internal controls as well as the overall management of audit engagements. Additionally, he has involvement with our consulting services, so he is aware of the issues confronting you.

Jacob dedicates a significant amount of time annually to attend local and national seminars relating to accounting and auditing issues, including audits conducted under federal requirements.

Jacob is a graduate of Southeastern Louisiana University.

Tommy LeJeune, CPA, is an audit and accounting partner and has 26 years of public accounting experience. He will be responsible for the field execution of the engagement. His experience includes specialization in audit, review and compilation engagements. Tommy is involved with planning and executing the firm's audits. As part of managing these audits, he is involved with evaluating the effectiveness of their operating systems.

Tommy is also involved with auditing and accounting for complex investment portfolios with our governmental and nonprofit clients. His experience includes accounting and auditing investment in mutual funds, alternative investments, interest in partnerships and limited liability companies, real estate trusts and other hard to value assets.

Tommy oversees the firm's governmental financial accounting and consulting practices. Such services include audit and assurance, financial and regulatory reporting, accounting outsourcing and support, budget preparation, financial management and other special projects for our governmental entities. He also annually attends numerous training sessions focused on accounting and auditing matters concerning governmental issues. Additionally, Tommy volunteers to serve several nonprofit organizations on board and committees, and is currently serving the Boys and Girls Club of Baton Rouge, St. Joseph's Academy and is a member of the Sunrise Rotary Club of Baton Rouge.

Tommy is a 1991 graduate of the University of Louisiana – Lafayette.



Proposed Service Team



Jacqueline Bloemer, CPA, is a manager in our Audit and Client Accounting Services Departments with six years of experience in public accounting. Jacqueline's prior experience includes audit and advisory work with Deloitte & Touche, LLP in Houston, TX, and PricewaterhouseCoopers in New York, NY. As part of her previous experience, Jacqueline concentrated on clients in the oil and gas industry and financial services industry including an international global integrated oil company, a leading international insurance agency and several global financial services companies.

Her audit experience includes substantive audit procedures for annual and quarterly integrated multilocation audits, GAAP and statutory stand-alone audits, Sarbanes-Oxley (SOX) controls testing, and employee benefit plan audits. Her advisory experience primarily focused on annual and quarterly financial accounting and reporting for risk accounting functions as well as the analysis of operating models of market, credit, regulatory and accounting functions.

Jacqueline is a 2010 graduate of Louisiana State University and a member of the American Institute of Certified Public Accountants (CPA) and the Society of Louisiana Certified Public Accountants (LCPA).

System Review Report

To the Partners of Faulk & Winkler, LLC
and the Peer Review Committee of the Society of Louisiana CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Faulk & Winkler, LLC. (the firm) in effect for the year ended August 31, 2014. 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. 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 on 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.

As required by the standards, engagements selected for review included engagements performed under the *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Faulk & Winkler, LLC in effect for the year ended August 31, 2014, 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. Faulk & Winkler, LLC has received a peer review rating of pass.

BKD, LLP

November 6, 2014