

RESOLUTION NO. R-19-48

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT FOR AUDIT SERVICES FOR THE CITY OF GLADSTONE, MISSOURI, WITH BERBERICH TRAHAN & CO. P.A. (BT & CO.)

WHEREAS, proposals were received for professional audit services, and the proposal of Berberich Trahan & Co. P.A. for such services has been determined by the Audit Selection Committee to be the best overall bid; and

WHEREAS, the total annual cost for the audit and Comprehensive Annual Financial Report preparation is \$38,250 for FY19 audit with a 2% annual increase for each future audit.

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF GLADSTONE, MISSOURI, AS FOLLOWS:


THAT, the City Manager of the City of Gladstone, Missouri is hereby authorized to negotiate and execute a contract with Berberich Trahan & Co. P.A. for a period of five years subject to annual renewal and budget appropriations commencing on July 1, 2019 through June 30, 2023, with optional annual renewals thereafter.

INTRODUCED, READ, PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF GLADSTONE, MISSOURI, THIS 23rd DAY OF SEPTEMBER 2019.



Mayor Carol J. Suter

ATTEST:



Ruth E. Bocchino



Request for Council Action

RES ☒ # R-19-48

BILL ☐ # City Clerk Only

ORD # City Clerk Only

Date: 9/17/2019

Department: Finance

Meeting Date Requested: 9/23/2019

Public Hearing: Yes ☐ Date: [Click here to enter a date.](#)

Subject: Audit Services

Background: The current contract for audit services with Berberich Trahan & Co. P.A. for the City of Gladstone ended with the completion of the 2018 fiscal year audit and completion of the Comprehensive Annual Financial Report (CAFR). A request for proposals was drafted and posted on the City's website. The RFP requested a breakdown of expenses for audit of the financial statements, single audit, and assistance for the CAFR, as well as firm and staff qualifications. The City received one proposal by the previous auditors. The proposal was evaluated by the Director of Finance and Senior Accountant and deemed to be reasonable. Given the cost and the existing relationship between staff and audit firm, staff is recommending accepting the proposal from Berberich Trahan & Co. P.A. with the option to renew annually for five years.

Budget Discussion: Funds are budgeted in the amount of \$ 38,250 from the General, Community Center, Public Safety Sales Tax, Combined Waterworks and Sewerage System Fund with a 2% increase per year. Ongoing costs are estimated to be \$39,025, \$39,815, \$40,620, and \$41,440, respectively annually. Previous years' funding was \$38,000

Public/Board/Staff Input: Resolution, sealed bid and proposal to follow

Provide Original Contracts, Leases, Agreements, etc. to: City Clerk and Vendor

Dominic Accurso
Department Director/Administrator

-
City Attorney

SW
City Manager



BERBERICH TRAHAN & CO., P.A.
Certified Public Accountants

August 26, 2019

Mr. Scott Wingerson, City Manager
City of Gladstone, Missouri
7010 N. Holmes Street
Gladstone, Missouri 64118

The Objective and Scope of the Audit of the Financial Statements

You have requested that we audit the City of Gladstone, Missouri's (the City) governmental activities, business-type activities, the discretely presented component unit, each major fund and aggregate remaining fund information as of and for the year ended June 30, 2019 which collectively comprise the basic financial statements. We will also apply certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America and will report on whether supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

Our audit will be conducted with the objective of our expressing an opinion on the financial statements.

You have informed us that you desire us to issue a report on the basic financial statements of the City as of and for the year ended June 30, 2019 conforming only to the requirements of auditing standards generally accepted in the United States of America. This reporting will not be used for purposes to comply with a requirement calling for an audit in accordance with *Government Auditing Standards*.

We will also perform the audit of the City as of June 30, 2019, so as to satisfy the audit requirements imposed by the Single Audit Act and Subpart F of 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 Responsibilities of the Auditor

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); "Government Auditing Standards" (GAS) issued by the Comptroller General of the United States; and the provisions of the Single Audit Act, Subpart F of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and U.S. Office of Management and Budget's (OMB) Compliance Supplement. Those standards, regulations, supplements, or guides require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. 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.

An Independently Owned Member, RSM US Alliance

RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International.



Mr. Scott Wingerson, City Manager
City of Gladstone, Missouri
Page 2

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS. Also, an audit is not designed to detect errors or fraud that is immaterial to the financial statements. The determination of abuse is subjective; therefore, GAS does not expect us to provide reasonable assurance of detecting abuse.

In making our risk assessments, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.

We will also communicate to the City (a) any fraud involving senior management and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements that becomes known to us during the audit, and (b) any instances of noncompliance with laws and regulations that we become aware of during the audit (unless they are clearly inconsequential).

The component unit whose financial statements you have told us are to be included as part of the City's basic financial statements is the Gladstone Special Road District No. 3.

We are responsible for the compliance audit of major programs under the Uniform Guidance, including the determination of major programs, the consideration of internal control over compliance, and reporting responsibilities.

Our report on internal control will include any significant deficiencies and material weaknesses in controls of which we become aware as a result of obtaining an understanding of internal control and performing tests of internal control consistent with requirements of the standards and circulars identified above. Our report on compliance matters will address material errors, fraud, abuse, violations of compliance obligations, and other responsibilities imposed by state and federal statutes and regulations or assumed by contracts, and any state or federal grant, entitlement, or loan program questioned costs of which we become aware, consistent with requirements of the standards and regulations identified above.

The Responsibilities of Management and Identification of the Applicable Financial Reporting Framework

Our audit will be conducted on the basis that management and when appropriate, those charged with governance, acknowledge and understand that they have responsibility:

- a. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
- b. To evaluate subsequent events through the date the financial statements are issued or available to be issued, and to disclose the date through which subsequent events were evaluated in the financial statements. Management also agrees that it will not evaluate subsequent events earlier than the date of the management representation letter referred to below.
- c. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
- d. For establishing and maintaining effective internal control over financial reporting and for informing us of all significant deficiencies and material weaknesses in the design or operation of such controls of which it has knowledge;
- e. For report distribution; and



Mr. Scott Wingerson, City Manager
City of Gladstone, Missouri
Page 3

- f. To provide us with:
- (1) Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters;
 - (2) Additional information that we may request from management for the purpose of the audit;
 - (3) Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence;
 - (4) When applicable, a summary schedule of prior audit findings; and
 - (5) If applicable, responses to any findings reported on the schedule of findings and questioned costs.

As part of our audit process, we will request from management written confirmation concerning representations made to us in connection with the audit, including among other items:

- a. That management has fulfilled its responsibilities as set out in the terms of this letter; and
- b. That it believes 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 in the aggregate, to the financial statements taken as a whole.

Management is responsible for identifying and ensuring that City complies with the laws and regulations applicable to its activities, and for informing us about all known material violations of such laws or regulations. In addition, management is responsible for the design and implementation of programs and controls to prevent and detect fraud or abuse, and for informing us about all known or suspected fraud or abuse affecting the City involving management, employees who have significant roles in internal control, and others where the fraud or abuse could have a material effect on the financial statements or compliance. Management is also responsible for informing us of its knowledge of any allegations of fraud or abuse or suspected fraud or abuse affecting the City received in communications from employees, former employees, analysts, regulators, short sellers, or others.

Management is responsible for the preparation of the supplementary information presented in relation to the financial statements as a whole in accordance with accounting principles generally accepted in the United States of America. Management agrees to include the auditor's report on supplementary information in any document that contains the supplementary information and that indicates that the auditor has reported on such supplementary information. Management also agrees to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.

Because the audit will be performed in accordance with the Single Audit Act and the Uniform Guidance, management is responsible for (a) identifying all federal awards received and expended; (b) preparing the schedule of expenditures of federal awards (including notes and noncash assistance received) in accordance with Uniform Guidance requirements; (c) internal control over compliance; (d) compliance with federal statutes, regulations, and the terms and conditions of federal awards; (e) making us aware of significant vendor relationships where the vendor is responsible for program compliance; (f) following up and taking corrective action on audit findings, including the preparation of a summary schedule of prior audit findings and a corrective action plan; and (g) submitting the reporting package and data collection form.

The City Council is responsible for informing us of its views about the risks of fraud or abuse within the City, and its knowledge of any fraud or abuse or suspected fraud or abuse affecting the City.



BERBERICH TRAHAN & CO., P.A.
Certified Public Accountants

Mr. Scott Wingerson, City Manager
City of Gladstone, Missouri
Page 4

You have informed us that you may issue public debt in the future and that you may include our report on your financial statements in the offering statement. You have further informed us that you do not intend that we be associated with the proposed offering.

We agree that our association with any proposed offering is not necessary, providing the City agrees to clearly indicate that we are not associated with the contents of any such official statement or memorandum. The City agrees that the following disclosure will be prominently displayed in any such official statement or memorandum:

Berberich Trahan & Co., P.A., our independent auditor, has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Berberich Trahan & Co., P.A., also has not performed any procedures relating to this [official statement] [memorandum].]

Because Berberich Trahan & Co., P.A. will rely on the City and its management and City Council to discharge the foregoing responsibilities, the City holds harmless and releases Berberich Trahan & Co., P.A., its directors, and employees from all claims, liabilities, losses, and costs arising in circumstances where there has been a knowing misrepresentation by a member of the City's management which has caused, in any respect, Berberich Trahan & Co., P.A.'s breach of contract or negligence. This provision shall survive the termination of this arrangement for services.

Records and Assistance

If circumstances arise relating to the condition of the City's records, the availability of appropriate audit evidence or indications of a significant risk of material misstatement of the financial statements because of error, fraudulent financial reporting, or misappropriation of assets which, in our professional judgment, prevent us from completing the audit or forming an opinion, we retain the unilateral right to take any course of action permitted by professional standards, including declining to express an opinion, issue a report, or withdraw from the engagement.

During the course of our engagement, we may accumulate records containing data that should be reflected in the City's books and records. The City will determine that all such data, if necessary, will be so reflected. Accordingly, the City will not expect us to maintain copies of such records in our possession.

The assistance to be supplied by City personnel, including the preparation of schedules and analyses of accounts, has been discussed and coordinated with Dominic Accurso, Director of Finance. The timely and accurate completion of this work is an essential condition to our completion of the audit and issuance of our audit report.

In connection with our audit, you have requested us to perform certain non-audit services necessary for the preparation of the financial statements, including preparing the financial statements and note disclosures. The GAS independence standards require that the auditor maintain independence so that opinions, findings, conclusions, judgments, and recommendations will be impartial and viewed as impartial by reasonable and informed third parties. Before we agree to provide a non-audit service to the City, we determine whether providing such a service would create a significant threat to our independence for GAS audit purposes, either by itself or in aggregate with other non-audit services provided. A critical component of our determination is consideration of management's ability to effectively oversee the non-audit service to be performed. The City has agreed that Dominic Accurso, Director of Finance, possesses suitable skill, knowledge, or experience and that the individual understands the non-audit services to be performed sufficiently to oversee them. Accordingly, the management of the City agrees to the following:



BERBERICH TRAHAN & CO., P.A.
Certified Public Accountants

Mr. Scott Wingerson, City Manager
City of Gladstone, Missouri
Page 5

1. The City has designated Dominic Accurso, Director of Finance, as a senior member of management, who possesses suitable skill, knowledge, and experience to oversee the services.
2. Dominic Accurso, Director of Finance, will assume all management responsibilities for subject matter and scope of the non-audit services listed above.
3. The City will evaluate the adequacy and results of the services performed.
4. The City accepts responsibility for the results and ultimate use of the services.

GAS further requires we establish an understanding with the management and those charged with governance of the objectives of the non-audit service, the services to be performed, the City's acceptance of its responsibilities, the auditor's responsibilities, and any limitations of the non-audit service. We believe this letter documents that understanding.

Other Relevant Information

From time to time and depending upon the circumstances, we may use third-party service providers to assist us in providing professional services to you. In such circumstances, it may be necessary for us to disclose confidential client information to them. We enter into confidentiality agreements with all third-party service providers and we are satisfied that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others.

RSM US LLP will be available to support Berberich Trahan & Co., P.A. by rendering services related to the performance of the engagement. If a situation occurs in connection with the proposed engagement for which we would request the services of RSM US LLP, we will notify you and obtain permission from you before giving access to your records. We will maintain supervision, control and ultimate responsibility for the performance of this engagement.

Berberich Trahan & Co., P.A. is independently owned and operated and assumes full responsibility for the quality of service delivered to our clients. We are responsible for our own client fee arrangements and maintenance of our client relationships.

RSM US Alliance provides its members with access to resources of RSM US LLP. RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM US LLP and RSM International. RSM, the RSM logo and RSM US ALLIANCE are trademarks of RSM International Association or RSM US. The services and products provided by RSM US Alliance are proprietary to RSM US LLP.

In accordance with GAS, a copy of our most recent peer review report is enclosed for your information.



Mr. Scott Wingerson, City Manager
City of Gladstone, Missouri
Page 6

Fees, Costs, and Access to Workpapers

Our fees for the services described above are based upon the value of the services performed and the time required by the individuals assigned to the engagement, plus direct expenses. Our fee estimate and completion of our work is based upon the following criteria:

- a. Anticipated cooperation from City personnel
- b. Timely responses to our inquiries
- c. Timely completion and delivery of client assistance requests
- d. Timely communication of all significant accounting and financial reporting matters
- e. The assumption that unexpected circumstances will not be encountered during the engagement

If any of the aforementioned criteria are not met, then fees may increase. We propose that our fee for this audit engagement, which includes out-of-pocket expenses, will be \$ 34,000. This fee does not include additional work to be performed if a single audit is required as a result of federal expenditures exceeding \$ 750,000 in any one year. If a single audit is required, there will be an additional \$ 2,250 fee for compliance testing and reporting for one major program. If there are additional major programs, our fee for each additional major program will be \$ 1,500. Our fee for CAFR preparation will be \$ 2,000. The quoted fee for the year ended June 30, 2019 will be the maximum for the work described in this letter unless the scope of the engagement is changed, the assistance which the City has agreed to furnish is not provided, or unexpected conditions are encountered. No changes will be made in the maximum agreed to amount without discussion with you regarding the proposed change. All other provisions of this letter will survive any fee adjustment. No changes will be made to the fee without discussion with you regarding the proposed change. Interim billings will be submitted as work progresses and as expenses are incurred. Billings are due upon submission.

In accordance with our policy, a finance charge of 1% per month will be applied to balances that are over 60 days old. Payments will be applied first to the accrued finance charges and then to outstanding invoices.

In the event we are requested or authorized by the City or are required by government regulation, subpoena, or other legal process to produce our documents or our personnel as witnesses with respect to our engagement for the City, the City will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests.

The documentation for this engagement is the property of Berberich Trahan & Co., P.A. However, you acknowledge and grant your assent that representatives of the cognizant or oversight agency or their designee, other government audit staffs, and the U.S. Government Accountability Office shall have access to the audit documentation upon their request and that we shall maintain the audit documentation for a period of at least three years after the date of the report, or for a longer period if we are requested to do so by the cognizant or oversight agency. Access to requested documentation will be provided under the supervision of Berberich Trahan & Co., P.A. audit personnel and at a location designated by our Firm.

You have informed us that you intend to prepare a comprehensive annual financial report (CAFR) and submit it for evaluation by the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting. Our association with the CAFR is to consist of assistance with preparation of the CAFR and review the CAFR to insure its readiness for submission.



BERBERICH TRAHAN & CO., P.A.
Certified Public Accountants

Mr. Scott Wingerson, City Manager
City of Gladstone, Missouri
Page 7

Claim Resolution

The City and Berberich Trahan & Co., P.A. agree that no claim arising out of services rendered pursuant to this agreement shall be filed more than two years after the date of the audit report issued by Berberich Trahan & Co., P.A. or the date of this arrangement letter if no report has been issued. In no event shall either party be liable to the other for claims of punitive, consequential, special, or indirect damages. Berberich Trahan & Co., P.A.'s liability for all claims, damages and costs of the City arising from this engagement is limited to the amount of fees paid by the City to Berberich Trahan & Co., P.A. for the services rendered under this arrangement letter.

If any dispute arises among the parties hereto, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Rules for Professional Accounting and Related Services Disputes before resorting to litigation. The costs of any mediation proceeding shall be shared equally by all parties.

The City and Berberich Trahan & Co., P.A. both agree that any dispute over fees charged by Berberich Trahan & Co., P.A. to the City will be submitted for resolution by arbitration in accordance with the Rules for Professional Accounting and Related Services Disputes of the American Arbitration Association. Such arbitration shall be binding and final. In agreeing to arbitration, we both acknowledge that, in the event of a dispute over fees charged by Berberich Trahan & Co., P.A., each of us is giving up the right to have the dispute decided in a court of law before a judge or jury and instead we are accepting the use of arbitration for resolution.

Information Security – Miscellaneous Terms

Berberich Trahan & Co., P.A. is committed to the safe and confidential treatment of the City's proprietary information. Berberich Trahan & Co., P.A. is required to maintain the confidential treatment of client information in accordance with relevant industry professional standards which govern the provision of services described herein. The City agrees that it will not provide Berberich Trahan & Co., P.A. with any unencrypted electronic confidential or proprietary information, and the parties agree to utilize commercially reasonable measures to maintain the confidentiality of the City's information, including the use of collaborate sites to ensure the safe transfer of data between the parties.

Berberich Trahan & Co., P.A. may terminate this relationship immediately in its sole discretion if Berberich Trahan & Co., P.A. determines that continued performance would result in a violation of law, regulatory requirements, applicable professional standards or Berberich Trahan & Co., P.A.'s client acceptance or retention standards, or if the City is placed on a verified sanctioned entity list or if any director or executive of, or other person closely associated with, the City or its affiliates is placed on a verified sanctioned person list, in each case, including but not limited to lists promulgated by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. State Department, the United Nations Security Council, the European Union or any other relevant sanctioning authority.

If any term or provision of this arrangement letter is determined to be invalid or unenforceable, such term or provision will be deemed stricken and all other terms and provisions will remain in full force and effect.



BERBERICH TRAHAN & CO., P.A.
Certified Public Accountants

Mr. Scott Wingerson, City Manager
City of Gladstone, Missouri
Page 8

Reporting

We will issue a written report upon completion of our audit of the City's financial statements. Our report will be addressed to the City Council of the City. 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, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

In addition to our report on the City's financial statements, we will also issue the following types of reports:

- A report on the fairness of the presentation of the City's schedule of expenditures of federal awards for the year ending June 30, 2019.
- Reports on internal control related to the financial statements, and major programs. These reports will describe the scope of testing of internal control and the results of our tests of internal controls.
- Reports on compliance with laws, regulations, and the provisions of contracts or grant agreements. We will report on any noncompliance which could have a material effect on the financial statements and any noncompliance which could have a material effect, as defined by Subpart F of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), on each major program.
- An accompanying schedule of findings and questioned costs.

This letter constitutes the complete and exclusive statement of agreement between Berberich Trahan & Co., P.A. and the City, superseding all proposals, oral or written, and all other communications, with respect to the terms of the engagement between the parties.

Please sign and return the enclosed copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements including our respective responsibilities.

Very truly yours,

BERBERICH TRAHAN & CO., P.A.

Stacey A. Hammond
Director

SAH:tls
Enclosures

Confirmed on behalf of the City of Gladstone, Missouri:

Scott Wingerson, City Manager

9/24/19

Date

Dominic Accurso, Director of Finance

9/24/19

Date



BERBERICH TRAHAN & CO., P.A.
Certified Public Accountants

Mr. Scott Wingerson, City Manager
City of Gladstone, Missouri
Page 9

A signed copy of this arrangement letter will be forwarded to the following pursuant to *Government Auditing Standards* Amendment No. 2, "Auditor Communication."

- I. For all financial statement audits performed in accordance with GAS:
 - a. City Council

Report on the Firm's System of Quality Control

December 4, 2017

To the Directors of
Berberich Trahan & Co., P.A.
and the Peer Review Committee of the Kansas Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Berberich Trahan & Co., P.A. (the firm) in effect for the year ended June 30, 2017. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

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

Firm's Responsibility

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

Peer Reviewer's Responsibility

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

Required Selections and Considerations

Engagements selected for review included an engagement performed under Government Auditing Standards, including compliance audits under the Single Audit Act, and an audit 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 Berberich Trahan & Co., P.A. in effect for the year ended June 30, 2017, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Berberich Trahan & Co., P.A. has received a peer review rating of *pass*.

Brown Smith Wallace, LLP

Brown Smith Wallace, LLP