



**ABARE, KRESGE**

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ASSOCIATES CPAS, LLC

## Proposal for Audit & Tax Services

Cultural Council of Greater  
Jacksonville, Inc.

Delivering first rate services that far exceed the  
expectations of our clients



## WHO WE ARE



Abare, Kresge & Associates CPAs, LLC (“AK&A”) is a full-service accounting firm assisting clients primarily in Northeast Florida. The firm was founded by Ken Kresge in 1989 and has since evolved into a premier accounting firm in Northeast Florida, with offices in St. Augustine and Jacksonville. Presently we are a staff of 20+ dedicated professionals.

AK&A maintains a substantial practice of audit and other attest services. The Firm has strategically developed its audit practice based on its commitment to community, concentrating its practice in not-for-profit, HUD, church, and CIRA organizations located in Northeast Florida. Because of this practice focus, AK&A is very familiar and well experienced with organizations of similar size and nature of the Cultural Council of Greater Jacksonville, Inc.

AK&A is comprised of a diverse group of professionals. The Firm is proud of the fact that its audit group has experienced minimal turnover in the past three years. AK&A believes in having consistency and familiarity with its team members on each engagement. This philosophy has allowed our firm to provide a high level and continuity of service to all our audit and other attest related clients.

In addition to audit and other attest services, AK&A’s practice consists of income tax preparation and planning for not-for-profit organizations, individuals, businesses, estates and trusts. The firm also provides services in the areas of business valuation, forensic analysis, litigation support, cash management, and general consulting for businesses, individuals and not-for-profit organizations.

AK&A is a member of the Private Companies Practice Section of the AICPA, and as such adheres to the peer review requirements and practice guidelines established for firms who work with non-publicly held entities. We received a rating of “pass” (a clean opinion) with respect to our firm’s quality control procedures during our most recent peer review (2017), which is attached for your convenience. In that peer review, we did not receive a letter of comments.

There have been no complaints leveled against the firm or any of its members by the State Board of Accountancy or other regulatory authority.

In addition, there is no pending litigation nor has there been any other litigation taken against the firm in the past five years.



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## **SERVICES**

AK&A will perform an audit for the year ended September 30, 2020 (2021, 2022 and 2023) for the Cultural Council of Greater Jacksonville, Inc. Each year, the audit will be performed according to auditing standards generally accepted in the United States of America, as well as *Government Auditing Standards*. In connection with audit performed, AK&A also will issue its management letter at the completion of the engagement, as applicable.

AK&A will issue timely reports (within 90 days of the end of fiscal year, or no later than the agreed-upon date with management) on the audited financial statements and will formally present them to the Board's Finance Committee. The timing for a final delivery is based on a timely receipt of the books and records in final format (within 30 days of the close of the fiscal year).

Annually, we will prepare the IRS Form 990 for Cultural Council of Greater Jacksonville, Inc. to be delivered to management in a timely manner. AK&A utilizes CCH Axcess software to prepare all tax returns. Returns are prepared after management has approved the audited trial balance and financial report to ensure consistency between them.

AK&A also will provide consultation and advice on routine financial matters throughout the year, as needed by the Organization.

AK&A is independent with respect to Cultural Council of Greater Jacksonville, Inc.



## **AUDIT APPROACH**

AK&A utilizes a risk-based approach for each audit engagement. We use audit programs designed by PPC specifically for not-for-profit organizations. These programs are widely used by accounting firms of all sizes throughout the United States. We also utilize the software “Engagement,” which integrates the PPC audit programs and all related audit work papers into an electronic and paperless system.

Risk based auditing requires that the use of statistical and substantive testing be used in accordance with the relative risk of each audit area. AK&A will also use substantive testing and will select certain transactions after completing an analysis of the internal control descriptions supplied by management. We expect to spend a significant amount of our audit time on-site, and we do not expect to subcontract any audit procedures or tasks.

As part of our audit, we will perform inquiries of the predecessor auditor and coordinate with them a review of certain workpapers in key audit areas, as identified by AK&A. We understand that your employees will prepare all cash, accounts receivable, inventory (if applicable), accounts payable, and other confirmations and reconciliations we request and will locate any documents selected by us for testing. We will provide a list of documents and schedules that need to be prepared by the Organization prior to commencement of field work. If additional items are needed throughout the audit, we will notify management immediately.

AK&A believes strong communication must exist between management and the auditor to ensure a highly efficient and effective audit process for both the Firm and the Organization. During the audit planning, field work and review process, AK&A periodically will advise the audit committee of any potential concerns or findings. Only after discussion with the appropriate level of management and completion of the audit will a formal management comment letter be prepared. This letter will summarize the concerns or findings required to be reported to management.

Our quality control system subjects all audit engagements to a three-tier review process to ensure the highest quality work product possible. Bill Abare, the audit partner in the firm, is involved in the audit planning, risk analysis, and review process (encompassing both the technical work paper review and the full report review) on all audit engagements.



## AUDIT TEAM



**William T. Abare III, CPA, CVA, MAFF, MAcc**  
Audit & Tax Partner

Bill has been with the firm since 2000 and a partner at AK&A since 2002. Prior to joining AK&A, he developed his career as a tax manager at CSX Corporation and as an audit and tax senior at a local CPA firm. He holds a Bachelors of Arts in Accounting from Flagler College and a Masters of Accountancy from the University of North Florida. Bill maintains a vibrant practice encompassing audit, tax, business valuation, litigation support and expert witness testimony. In addition to his CPA license, Bill is yellow book certified, is a Certified Valuation Analyst, a Master Analyst in Financial Forensics, and is a qualified peer reviewer with the FICPA and AICPA. Bill is a member of the National Association of Certified Valuation Analysts, the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants.

Since 2002, Bill has been the partner in charge of the firm's audit practice. He currently manages a significant audit practice, which is comprised of many not-for-profit entities. The full audit practice relates to both for-profit entities, as well as not-for-profit organizations.

Bill is an active member of the St. Augustine Community and is a past-president of EPIC Community Services, Inc, past-treasurer of United Way of St. Johns County and currently coaches youth baseball and basketball.

Bill is involved in the planning, risk assessment and review phases of all audit engagements. Moreover, Bill meets with the Board of Directors (or their assigned committee) to deliver the results of the audit and address any questions they may have.



**Elena Hayes, CPA, CFE, MST**  
Audit Manager

Elena graduated Magna Cum Laude from the University of Central Florida's Dixon School of Accounting and then earned her Master of Science in Taxation. Elena is a Florida CPA as well as a Certified Fraud Examiner certification. She is yellow book certified and an active member of the American Institute of Certified Public Accounts and the Florida Institute of Certified Public Accountants.

Elena refined her auditing and accounting skills at a large regional accounting firm in central Florida before joining the audit team at Abare, Kresge & Associates CPAs, LLC in 2008. Her focus in the firm centers around the audit work associated with not-for-profit organizations, including those receiving assistance subject to Florida Single Audit Act and Federal Single Audit Act, Common Interest Realty Associations and commercial organizations. Elena also is involved in the planning, risk assessment, and review phases of all audit engagements.



**Lisa Page** - Staff Auditor

Lisa joined the firm in 2014 and has been involved in all phases of the audit and related tax engagements for not-for-profit organizations. She holds a Bachelors of Arts in Accounting from Flagler College. Lisa is Yellow Book certified.

**Mike Fierle** - Staff Auditor

Mike has been with AK&A for four years. His focus in the firm centers around the audit and tax work associated with not-for-profit organizations and Common Interest Realty Associations. He holds a Bachelors of Arts in Accounting from Flagler College. Mike is Yellow Book certified.



While we plan to work with the management team of the Cultural Council of Greater Jacksonville, Inc. to conform to their preferred timelines with respect to this engagement, the following proposed timetable highlights major activities that are key elements of our annual audit plan:

## AUDIT TIMETABLE

<u>Description</u>	<u>Suggested Timetable</u>
Meet with the Cultural Council of Greater Jacksonville, Inc. personnel regarding operating, accounting and reporting matters and understand management expectations and business objectives.....	Ongoing
Develop and document understanding of the Cultural Council of Greater Jacksonville, Inc. systems and developing specific audit plan; performing risk assessment and developing custom audit approach; testing internal controls .....	TBD (September 1 – 30)
Perform year end procedures (field work) .....	TBD (November 1 – 30)
Complete audit of the annual financial statements and issue draft of independent auditors' report .....	TBD (December 15)
Meet with management and selected Board's Finance Committee to discuss audit results and management letter comments .....	TBD (December 18)
Issue final audit report .....	TBD (December 22)
Issue IRS Forms 990 .....	TBD (December 31)



## We understand Mission

AK&A believes in supporting our local mission-based organizations. We believe we can offer invaluable support for the organization through our knowledge, experience and dedication to mission. Coupled with this commitment is our dedication to fairly pricing our services.

We propose the following flat fee structure for services to be provided each year for the years ended September 30, 2020, (and 2021, 2022 & 2023):

Audited financial report .....	\$12,000
Management letter .....	Included
Discussion (via conference call or Zoom) of audit results with the Finance Committee .....	Included
Presentation (on-site or via Zoom) of the audit results at the Board of Directors' meeting.....	Included
IRS Form 990.....	<u>Included</u>
Total Fees .....	<u>\$ 12,000</u>

This fee is inclusive of any travel and out-of-pocket costs incurred by AK&A, other than any normal charges from banks paid for by AK&A on behalf of the Organization in obtaining confirmation requests. As part of assuming a four-year commitment with the Organization, we would not increase our stated flat fee for any additional hours spent in the first year.

As we do with all organizations that we audit, the fee proposal also includes our addressing other questions of the Organization related to financial or technical matters that may arise throughout the year that are considered to be in the normal course of business.

As a result of issues surrounding COVID-19, we will require our employees to follow any state mandated protocols (i.e., wearing a mask, social distancing, etc.) when working on-site. As an additional safety measure, we also have temporarily changed our method of presenting the audit to the full Board of Directors from our preferred structure of an on-site presentation to handling it through Zoom. We will continue to monitor this situation regularly and move back to on-site presentations when it is determined to be safe for everyone.

If additional services, not covered under this proposal, are requested by management, we will discuss the scope of the services with management and provide them with an estimate prior to beginning any work.



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## **Our Reputation**

AK&A is confident that you will enjoy the utmost professional and ethical service available. We have been servicing the counties in Northeast Florida for the past 30+ years. The firm enjoys the reputation of being able to deliver a quality product in a timely manner.

Below is a list of references and we would encourage you to contact them.

The Arc Jacksonville, Inc.  
Jacksonville, FL  
Jim Whittaker – Executive Director  
(904) 355-0155

Flagler Habitat for Humanity, Inc.  
Bunnell, FL  
Lindsay Elliott – Executive Director  
(386) 586-6180

St. Johns County Council on Aging, Inc.  
St. Augustine, FL  
Becky Yanni – Executive Director  
(904) 209-3700



## **Distinguishing Points**

- An organization of depth with experienced and knowledgeable auditors;
- A peer reviewed firm receiving having always received a “clean” opinion;
- Experience and familiarity with the single audits of not-for-profit organizations;
- A firm that understands the importance of your mission;
- Solid commitment to community and not-for-profit organizations;
- Full-service CPA firm primarily built around servicing the small to mid-sized businesses and organizations in Northeast Florida.
- Exceptional communicators and problem solvers;
- Auditors assigned to the engagement are all Yellow Book certified;
- Strong background in preparing IRS Form 990 and Form 990-T returns;
- Outstanding dedication to the employees and clients of the firm;
- Listed as one of the top 25 places to work in Northeast Florida by the Jacksonville Business Journal – 2010, 2011 & 2014;
- Ability to meet deadlines without exception.



## Fact Sheet

Entity Name	Abare, Kresge & Associates CPAs, LLC
Principal Street Address	1200 Plantation Island Drive, Suite 230 St. Augustine, FL 32080
Principal Mailing Address	Same as street address
Website	<a href="http://www.abarekresgecpa.com">www.abarekresgecpa.com</a>
Entity Type	Limited Liability Company
Jurisdiction of Institutional Formation	State of Florida
Date of Institutional Formation	5/31/2002
Federal Tax Identification Number	32-0025877
Primary Contact:	
Name	Bill Abare
Title and Tenure	Partner, Audit and Tax
Street Address	1200 Plantation Island Drive, Suite 230 St. Augustine, FL 32080
Mailing Address	Same as street address
Telephone Number	(904) 460-0747
Facsimile Number	(904) 209-3004
Email Address	<a href="mailto:babare@abarekresgecpa.com">babare@abarekresgecpa.com</a>