

Code of Ethics of the Town of Gaines

Section 1. Purpose.

Officers and employees of the Town of Gaines hold their positions to serve and benefit the public, and not for obtaining unwarranted personal or private gain in the exercise and performance of their official powers and duties. The Town Board recognizes that, in furtherance of this fundamental principle, there is a need for clear and reasonable standards of ethical conduct. This code of ethics establishes those standards.

Section 2. Definitions.

(a) “Board” means the governing board of a municipality and any municipal administrative board (e.g. planning board, zoning of board of appeals), commission, or other agency or body comprised of two or more municipal officers or employees.

(b) “Code” means this code of ethics.

(c) “Interest” means a direct or indirect financial or material benefit, but does not include any benefit arising from the provision or receipt of any services generally available to the residents or taxpayers of the municipality or an area of the municipality, or a lawful class of such residents or taxpayers. A municipal officer or employee is deemed to have an interest in any private organization when he or she, his or her spouse, or a member of his or her household, is an owner, partner, member, director, officer, employee, or directly or indirectly owns or controls more than 5% of the organization’s outstanding stock.

(d) “Municipality” means the Town of Gaines. The word “municipal” refers to the municipality.

(e) “Municipal officer or employee” means a paid or unpaid officer or employee of the Town of Gaines including, but not limited to, the members of any municipal board.

(f) “Relative” means a spouse, parent, step-parent, sibling, step-sibling, sibling’s spouse, child, step-child, uncle, aunt, nephew, niece, first cousin, or household member of a municipal officer or employee, and individuals having any of these relationships to the spouse of the officer or employee.

Section 3. Applicability.

This code of ethics applies to the officers and employees of the Town of Gaines and shall supersede any prior municipal code of ethics. The provisions of this code of ethics shall apply in addition to all applicable State and local laws relating to conflicts of interest and ethics including, but not limited to, article 18 of the General Municipal Law and all rules, regulations, policies, and procedures of the Town of Gaines.

Section 4. Prohibition on use of municipal position for personal or private gain.

No municipal officer or employee shall use his or her municipal position or official powers and duties to secure a financial or material benefit for himself or herself, a relative, or any private organization in which he or she is deemed to have an interest.

Section 5. Disclosure of interest in legislation and other matters.

(a) Whenever a matter requiring the exercise of discretion comes before a municipal officer or employee, either individually or as a member of a board, and disposition of the matter could result in a direct or indirect financial or material benefit to himself or herself, a relative, or any private organization in which he or she is deemed to have an interest, the municipal officer or employee shall disclose in writing the nature of the interest.

(b) The disclosure shall be made when the matter requiring disclosure first comes before the municipal officer or employee, or when the municipal officer or employee first acquires knowledge of the interest requiring disclosure, whichever is earlier.

(c) In the case of a person serving in an elective office, the disclosure shall be filed with the governing board of the municipality. In all other cases, the disclosure shall be filed with the person's supervisor or, if the person does not have a supervisor, the disclosure shall be filed with the municipal officer, employee or board having the power to appoint to the person's position. In addition, in the case of a person serving on a municipal board, a copy of the disclosure shall be filed with the board. Any disclosure made to a board shall be made publicly at a meeting of the board and must be included in the minutes of the meeting.

Section 6. Recusal and abstention.

(a) No municipal officer or employee may participate in any decision or take any official action with respect to any matter requiring the exercise of discretion, including discussing the matter and voting on it, when he or she knows or has reason to know that the action could confer a direct or indirect financial or material benefit on himself or herself, a relative, or any private organization in which he or she is deemed to have an interest.

(b) In the event that this section prohibits a municipal officer or employee from exercising or performing a power or duty:

(1) if the power or duty is vested in a municipal officer as a member of a board, then the power or duty shall be exercised or performed by the other members of the board; or

(2) if the power or duty that is vested in a municipal officer individually, then the power or duty shall be exercised or performed by his or her deputy or, if the officer does not have a deputy, the power or duty shall be performed by another person to whom the officer may lawfully delegate the function.

(3) if the power or duty is vested in a municipal employee, he or she must refer the matter to his or her immediate supervisor, and the immediate supervisor shall designate another person to exercise or perform the power or duty.

Section 7. Prohibition inapplicable; disclosure, recusal and abstention not required.

(a) This code's prohibition on use of a municipal position (section 4), disclosure requirements (section 5), and requirements relating to recusal and abstention (section 6), shall not apply with respect to the following matters:

- (1) adoption of the municipality's annual budget;
- (2) any matter requiring the exercise of discretion that directly affects any of the following groups of people or a lawful class of such groups:
 - (i) all municipal officers or employees;
 - (ii) all residents or taxpayers of the municipality or an area of the municipality; or
 - (iii) the general public; or
- (3) any matter that does not require the exercise of discretion.

(b) Recusal and abstention shall not be required with respect to any matter:

- (1) which comes before a board when a majority of the board's total membership would otherwise be prohibited from acting by section 6 of this code;
- (2) which comes before a municipal officer when the officer would be prohibited from acting by section 6 of this code and the matter cannot be lawfully delegated to another person.

Section 8. Investments in conflict with official duties.

(a) No municipal officer or employee may acquire the following investments:

- (1) investments that can be reasonably expected to require more than sporadic recusal and abstention under section 6 of this code; or
- (2) investments that would otherwise impair the person's independence of judgment in the exercise or performance of his or her official powers and duties.

(b) This section does not prohibit a municipal officer or employee from acquiring any other investments or the following assets:

- (1) real property located within the municipality and used as his or her personal residence;
- (2) less than five percent of the stock of a publicly traded corporation; or
- (3) bonds or notes issued by the municipality and acquired more than one year after the date on which the bonds or notes were originally issued.

Section 9. Private employment in conflict with official duties.

No municipal officer or employee, during his or her tenure as a municipal officer or employee, may engage in any private employment, including the rendition of any business, commercial, professional, or other types of services, when the employment:

- (a) can be reasonably expected to require more than sporadic recusal and abstention pursuant to section 6 of this code;
- (b) can be reasonably expected to require disclosure or use of confidential information gained by reason of serving as a municipal officer or employee;
- (c) violates section 805-a(1)(c) or (d) of the General Municipal Law; or
- (d) requires representation of a person or organization other than the municipality in connection with litigation, negotiations or any other matter to which the municipality is a party.

Section 10. Future employment.

- (a) No municipal officer or employee may ask for, pursue, or accept a private post-government employment opportunity with any person or organization that has a matter requiring the exercise of discretion pending before the municipal officer or employee, either individually or as a member of a board, while the matter is pending or within the 30 days following final disposition of the matter.
- (b) No municipal officer or employee, for the two-year period after serving as a municipal officer or employee, may represent or render services to a private person or organization in connection with any matter involving the exercise of discretion before the municipal office, board, department or comparable organizational unit for which he or she serves.
- (c) No municipal officer or employee, at any time after serving as a municipal officer or employee, may represent or render services to a private person or organization in connection with any particular transaction in which he or she personally and substantially participated while serving as a municipal officer or employee.

Section 11. Personal representations and claims permitted.

This code shall not be construed as prohibiting a municipal officer or employee from:

- (a) representing himself or herself, or his or her spouse or minor children before the municipality; or
- (b) asserting a claim against the municipality on his or her own behalf, or on behalf of his or her spouse or minor children.

Section 12. Use of municipal resources

- (a) Municipal resources shall be used for lawful municipal purposes. Municipal resources

include, but are not limited to, municipal personnel, and the municipality's money, vehicles, equipment, materials, supplies or other property.

(b) No municipal officer or employee may use or permit the use of municipal resources for personal or private purposes, but this provision shall not be construed as prohibiting:

(1) any use of municipal resources authorized by law or municipal policy;

(2) the use of municipal resources for personal or private purposes when provided to a municipal officer or employee as part of his or her compensation; or

(3) the occasional and incidental use during the business day of municipal telephones and computers for necessary personal matters such as family care and changes in work schedule.

(c) No municipal officer or employee shall cause the municipality to spend more than is reasonably necessary for transportation, meals or lodging in connection with official travel.

Section 13. Interests in Contracts.

(a) No municipal officer or employee may have an interest in a contract that is prohibited by section 801 of the General Municipal Law.

(b) Every municipal officer and employee shall disclose interests in contracts with the municipality at the time and in the manner required by section 803 of the General Municipal Law.

Section 14. Nepotism.

Except as otherwise required by law:

(a) No municipal officer or employee, either individually or as a member of a board, may participate in any decision specifically to appoint, hire, promote, discipline, or discharge a relative for any position at, for or within the municipality or a municipal board.

(b) No municipal officer or employee may supervise a relative in the performance of the relative's official powers or duties.

Section 15. Political Solicitations

(a) No municipal officer or employee shall directly or indirectly to compel or induce a subordinate municipal officer or employee to make, or promise to make, any political contribution, whether by gift of money, service, or other thing of value.

(b) No municipal officer or employee may act or decline to act in relation to appointing, hiring, or promoting, discharging, disciplining, or in any manner changing the official rank, status or compensation of any municipal officer or employee, or an applicant for a position as a municipal officer or employee, on the basis of the giving or withholding or neglecting to make any contribution of money or service or any other valuable thing for any political purpose.

Section 16. Confidential Information.

No municipal officer or employee who acquires confidential information in the course of exercising or performing his or her official powers or duties may disclose or use such information unless the disclosure or use is required by law or in the course of exercising or performing his or her official powers and duties.

Section 17. Gifts.

(a) No municipal officer or employee shall solicit, accept, or receive a gift in violation of section 805-a(1)(a) of the General Municipal Law as interpreted in this section.

(b) No municipal officer or employee may directly or indirectly solicit any gift.

(c) No municipal officer or employee may accept or receive any gift, or multiple gifts from the same donor, having an annual aggregate value of seventy-five dollars or more when:

(1) the gift reasonably appears to be intended to influence the officer or employee in the exercise or performance of his or her official powers or duties;

(2) the gift could reasonably be expected to influence the officer or employee in the exercise or performance of his or her official powers or duties; or

(3) the gift is intended as a reward for any official action on the part of the officer or employee.

(d) For purposes of this section, a "gift" includes anything of value, whether in the form of money, service, loan, travel, entertainment, hospitality, thing, or promise, or in any other form. The value of a gift is the gift's fair market value, determined by the retail cost of the item or a comparable item. The fair market value of a ticket entitling the holder to food, refreshments, entertainment, or any other benefit is the face value of the ticket, or the actual cost to the donor, whichever is greater. Determination of whether multiple gifts from a single donor exceed seventy-five dollars must be made by adding together the value of all gifts received from the donor by an officer or employee during the twelve-month period preceding the receipt of the most recent gift.

(e) (1) A gift to a municipal officer or employee is presumed to be intended to influence the exercise or performance of his or her official powers or duties when the gift is from a private person or organization that seeks municipal action involving the exercise of discretion by or with the participation of the officer or employee.

(2) A gift to a municipal officer or employee is presumed to be intended as a reward for official action when the gift is from a private person or organization that has obtained municipal action involving the exercise of discretion by or with the participation of the officer or employee during the preceding twelve months.

(f) This section does not prohibit any other gift, including:

(1) gifts made to the municipality;

(2) gifts from a person with a family or personal relationship with the officer or employee when the circumstances make it clear that the personal relationship, rather than the recipient's status as a municipal officer or employee, is the primary motivating factor for the gift;

(3) gifts given on special occasions, such as marriage, illness, or retirement, which are modest, reasonable, and customary;

(4) unsolicited advertising or promotional material of little intrinsic value, such as pens, pencils, note pads, and calendars;

(5) awards and plaques having a value of seventy-five dollars or less which are publicly presented in recognition of service as a municipal officer or employee, or other service to the community; or

(6) meals and refreshments provided when a municipal officer or employee is a speaker or participant at a job-related professional or educational conference or program and the meals and refreshments are made available to all participants.

Section 18. Board of Ethics.

(a) There is an Orleans County Board of Ethic established to be utilized by the townships if they prefer. The board of ethics consists of five members, who are not officers or employees of the municipality, but at least one of whom must be a municipal officer or employee.

(b) The board of ethics shall render advisory opinions to the officers and employees of the Town of Gaines with respect to article 18 of the General Municipal Law and this code. Such advisory opinions must be rendered pursuant to the written request of any such officer or employee under such rules and regulations as the board of ethics may prescribe. The board of ethics shall have the advice of legal counsel employed by the board, or if none, the municipality's legal counsel. In addition, the board of ethics may make recommendations with respect to the drafting and adoption of a code of ethics, or amendments thereto, upon the request of the Town of Gaines.

Section 19. Posting and distribution.

(a) The Town Supervisor must promptly cause a copy of this code, and a copy of any amendment to this code, to be posted publicly and conspicuously in each building under the municipality's control. The code must be posted within ten days following the date on which the code takes effect. An amendment to the code must be posted within ten days following the date on which the amendment takes effect.

(b) The Town Supervisor must promptly cause a copy of this code, including any amendments to the code, to be distributed to every person who is or becomes an officer and employee of the Town of Gaines.

(c) Every municipal officer or employee who receives a copy of this code or an amendment to the code must acknowledge such receipt in writing. Such acknowledgments must be filed with the Town Clerk who must maintain such acknowledgments as a public record.

(d) The failure to post this code or an amendment to the code does not affect either the applicability or enforceability of the code or the amendment. The failure of a municipal officer or employee to receive a copy of this code of ethics or an amendment to the code, or to acknowledge receipt thereof in writing, does not affect either the applicability or enforceability of the code or amendment to the code.

Section 20. Enforcement.

Any municipal officer or employee who violates this code may be censured, fined, suspended or removed from office or employment in the manner provided by law.

Section 21. Effective date.

This code takes effect on January 2, 2018

ACKNOWLEDGEMENT OF RECEIPT OF CODE OF ETHICS FOR THE TOWN OF GAINES

I, _____, currently hold the position of

_____ for the Town of Gaines. By my signature below, I

hereby acknowledge receipt of the Town of Gaines Code of Ethics, which was revised and adopted by the

Town Board on _____.

Signature

Date

Filed by the Town Clerk:

Signature

Date

Proposal to Provide Professional Services for the Town of Gaines

December 21, 2017

Submitted to:
Mr. Joseph Grube, Supervisor-Elect
Town of Gaines
14087 Ridge Road
Albion, New York 14411



Big firm capability. Small firm personality.

THE BONADIO GROUP
CPAs, Consultants & More

Submitted by:
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December 21, 2017

Mr. Joseph Grube, Supervisor-Elect
Town of Gaines
14087 Ridge Road
Albion, New York 14411

RE: Professional Services

Dear Joe:

It is The Bonadio Group's (Bonadio) pleasure to submit this proposal to provide professional services to the Town of Gaines (the Town) for the period January 1, 2017 – December 31, 2017. Bonadio provides a wide variety of accounting, audit and consulting services to many governments and public authorities throughout New York State.

This is why a move to Bonadio is the right decision:

We know the complex landscape of New York State government: We are, hands down, an expert in governmental entities in New York State. Our government experience is second to none. Bonadio is one of the leading audit and advisory firms to government organizations in New York State, and we currently provide accounting and auditing services to over 300 government entities, including a variety of New York State agencies, public authorities, towns, counties, cities, school districts, and other local governments. With offices across New York State, including Albany, we understand what towns all over the State are dealing with.

We have a wealth of experience: in working with towns throughout the State, delivering services ranging from financial statement audits to specialty financial consulting projects. Our government team does only that – governments. Our breadth of resources allows us to keep you abreast of all critical financial and regulatory matters impacting the Town. Annually several of our partners attend not only the Association of Town's conference, but the annual and regional GFOA conferences too. We have also been presenters at the state and local levels.

Transition: It is important to realize that change often leads to new and fresh perspectives. We have successfully transitioned many clients over the years. Our new clients have often expressed recognition of our differing style noting that the ongoing communication, "no surprises" approach, well-trained staff and adherence to their timetables were a welcomed improvement over the complacency and performance of their prior firm. Additionally, as you know, we have prior experience with the Town and are familiar with many of the issues that concern you.

We're specialists: The Town will be served, at all levels, by professional staff who understand the complex issues that you face. In addition, Bonadio has the bench strength to ensure that the Town's engagement is not reliant or dependent on any single individual. Our depth of resources includes 12 partners and 8 principals who have devoted their entire careers to working in the government sector. These individuals are supported by a related complement of managers and staff-level resources that have specific government experience.

We will perform your audit in a timely and responsive fashion, with fieldwork scheduled in accordance with your timelines; we will work with you to meet all requirements. Our overarching principles are centered around the concept of no surprises; all adjustments and findings, if any, will be discussed with you prior to being reported.

We want to work for you!

The opportunity to serve as your auditors and advisors is important to us. We are committed to demonstrating that Bonadio is a cost effective, high quality audit firm that adds value to the audit process. What's more, our team has proven, in-depth experience performing specialized work for government entities across New York State. We understand complex organizations and always approach our work from your perspective.

If you have any questions regarding the information contained in this proposal or on any other matter, please contact Randy Shepard at 249-2873 or email rshepard@bonadio.com. We are available, at your convenience, to meet with you to discuss any questions you may have and to demonstrate our interest in serving the Town.

Very truly yours,

THE BONADIO GROUP

A handwritten signature in black ink, appearing to read "R. Shepard", written in a cursive style.

By

Randall R. Shepard, CPA
Partner

Our audit approach is intended to accomplish the audit objectives in an efficient, cost-effective manner for both the Town and Bonadio. We understand that time is valuable to you – as it is for us.

As such we've developed a process that results in increased satisfaction and better recommendations for our clients.

Our approach is simple:

Planning	Performance	Presentation
<ul style="list-style-type: none"> • Timely, relevant communication at the start of audit cycle • Clear, concise requests for information for all phases of the audit • Use of on-line portal for file sharing 	<ul style="list-style-type: none"> • Completion of preliminary and final audit procedures based on pre-determined timelines • Communication with key personnel throughout audit • Assignment of qualified staff to your engagement • Onsite involvement of manager and partner on engagement 	<ul style="list-style-type: none"> • Deliverables provided on a timely basis and in an understandable format. • Keeping Town and Board Members apprised of key items impacting the Town. • Attendance by partner or principal level personnel at Board meetings.

Our typical audit timeline is as follows:

The following timeframe ensures year-round communication, significant Partner involvement, and sufficient hours to fulfill your needs and expectations. We have prepared our best estimate of the timing of the engagement; however, we will work with the Town to establish a timeframe that is appropriate. We are committed to meeting your deadlines.

Day 1

- Conduct meetings with the Town to discuss audit process, timing, and further clarify the Town's needs and expectations.
- Understand, assist, prioritize, and plan for current-year issues affecting the Town:
 - Impact of new and proposed governmental accounting and audit standards, as applicable
 - Regulatory developments
 - Government developments
- Prepare engagement letter.

As soon as practical after appointment

- Complete our review of the prior audit reports to gain perspective on potential issues and historical background.
- Meet with prior auditors and review prior workpapers, if applicable
- Gather and review permanent file documents.
- Develop a summary of audit requirements and client assistance list and provide to the Town finance personnel and various departments.
- Meet to review audit strategy and timing.

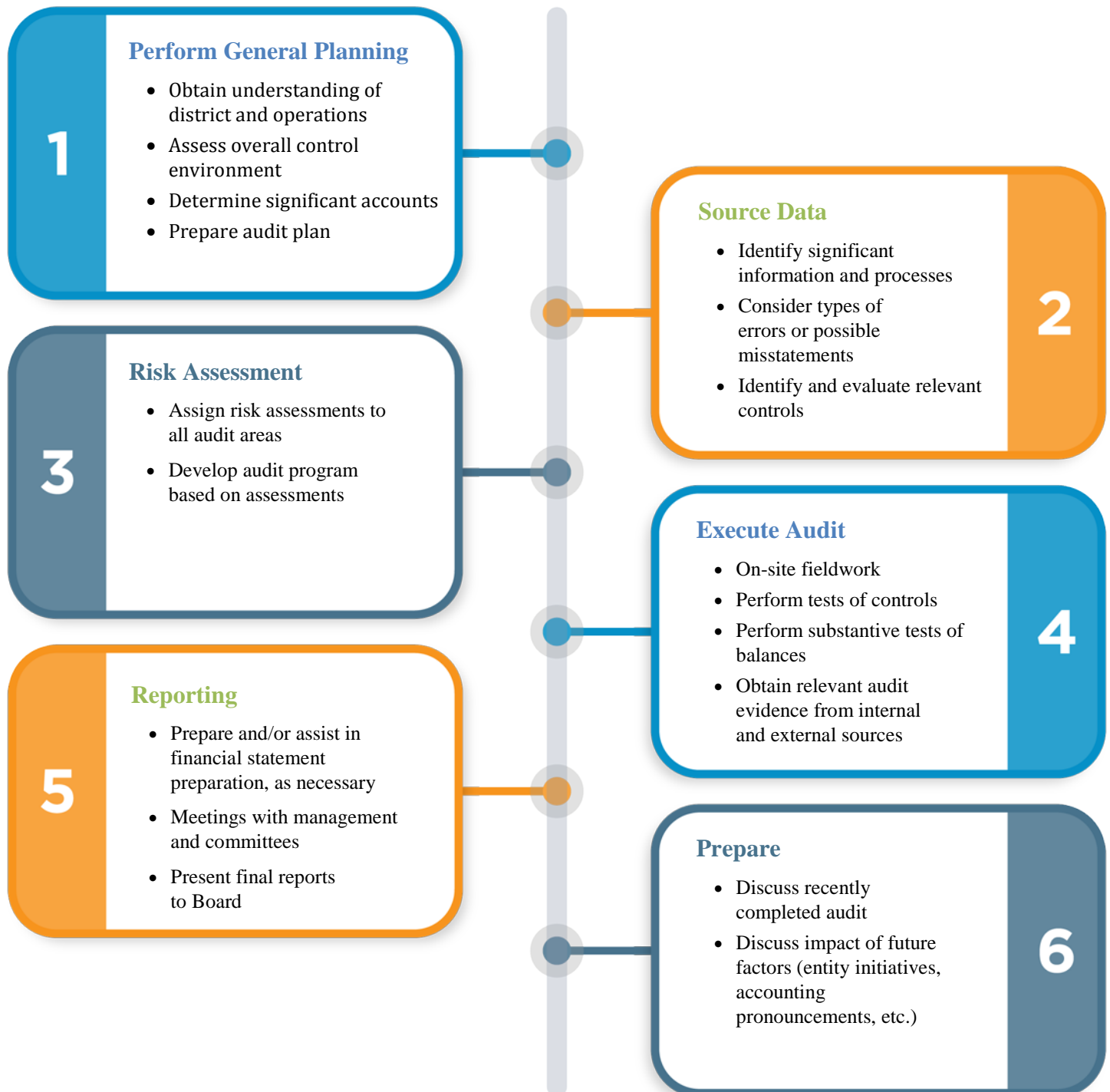
Interim Testing once timing is set

- Complete review of internal accounting controls and operating, financial, information systems and compliance processes. This will be accomplished through interviews and testing of procedures.
- Perform interim testing of significant accounts as necessary.
- Prepare preliminary detailed audit plan.
- Perform preliminary analytical procedures.
- Conduct progress meetings.
- Provide detailed list of schedules needed.

Onsite fieldwork

- Perform year-end audit fieldwork at the Town's offices.
- Perform final analytical procedures.
- Perform audit partner and quality assurance review.
- Conduct progress meetings.
- Review draft of financial statements, management letter, financial highlights, and reporting package with Town Board.
- Final reports issued.
- Conduct closing meetings.
- The Town and Bonadio Meeting ("Exit conference"):
 - Meet to discuss service and review the measured value against needs and expectations in the client service plan.

Our general audit approach is below:



Level of Staff and Assigned Hours

Our audit work plans are not specifically assigned to staff levels, as we do not operate on such a rigid platform. We are structured to meet the requirements of the engagement, which allows for flexibility in the areas assigned. In general, the senior and staff accountants perform audit fieldwork. Technical matters are handled by the Partner. In general, our time is incurred 20% by Partner/Principal, with the remaining 80% by staff and other support time.

Audit Timeline/Audit Approach	Professional Fees	Firm Qualifications	References
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	2017	2018	2019
Town audit – Statutory Basis	\$8,000	\$8,200	\$8,400
Town Justice Court (per justice)	1,200	1,200	1,200
Town Tax Collector	1,000	1,000	1,000
Town Clerk	<u>1,100</u>	<u>1,100</u>	<u>1,100</u>
	<u>\$11,300</u>	<u>\$11,500</u>	<u>\$11,700</u>

Town Audit

The Town has historically reported under the Regulatory or Statutory Basis of accounting and following the guidelines as established by the NYS Office of State Comptroller. We have provided pricing under the assumption that this approach will be used for 2017 as well.

Furthermore, we note that currently, the Town's audits for 2015 and 2016 have not yet been completed by your current audit firm. As such, we are unable to rely on the prior auditor's opinions relating to beginning fund balance. Our fees above are based on an issuing a qualified opinion on the statement of revenues, expenses and change in fund balance which would exclude us from performing any procedures on those prior periods. If the Town would like us to perform any procedures on the period from December 31, 2014 (the last issued audit opinion) to January 1, 2017 then we can discuss the appropriate course of action and fees associated with those procedures.

Town Justice Court

The fees above include our standard procedures relating to the Justice Court and include completion of the justice court checklist as required by the NYS Office of State Comptroller, as well as additional procedures that we have developed to supplement the required checklist.

We understand that there may be some concerns surrounding the cash collection process at the Courts and that more specific and detailed procedures may need to be designed to address your concerns. We recommend meeting with you to develop specific procedures but would suggest various confirmation procedures based on court docket information.

It is unclear whether the period of analysis would include 2017 only, or if it the period would be expanded to prior to 2017. As such, it's difficult to determine an estimated fee related to these expanded procedures. However, we could develop a not-to-exceed fee for these services and develop procedures that could be completed within those parameters. This would give the Town price certainty and the ability to expand the scope if the findings warranted additional procedures.

Out-of-Pocket Expenses

All out-of-pocket expenses incurred by Bonadio are included in the Total All-Inclusive Maximum Price for each year. Fees also include unlimited phone support.

Unlimited Phone Support

In order to properly serve our clients, we need to know what the issues affecting them are. We realize, however, that clients are sometimes hesitant to call us as they have been “nickel and dimed” with fees for phone calls by other firms. To encourage regular contact with our clients, we offer unlimited phone support throughout the year. Because we will provide ongoing access to the accounting, auditing, and business advice you need on a fixed-price basis, you will not be inhibited from seeking timely advice by fear of the meter endlessly running. We want to offer you access to the accumulated wisdom of the firm through CPAs with substantial experience who can help you achieve your goals.

While the fixed fee audit entitles the Town to unlimited consultation with us, if your question or issue requires additional research and/or analysis beyond the phone conversation, this additional work will be subject to an additional price negotiation prior to the additional services being performed. In our experience, our clients are knowledgeable about those situations that would constitute an additional service and are prepared to have that discussion.

Rates for Additional Services

Fees for additional services will be negotiated with you prior to commencement of work. You will never be billed for any work you have not already authorized.

Our standard rates are noted below. Additional services would be assigned to staff based upon the complexity of the work to be performed.

Hourly Rate	
Partner	\$ 270
Principal	\$ 215
Manager	\$ 180
Senior Accountant	\$ 120
Staff Accountant	\$ 80

Standard Contract

Our standard contract takes the form of an engagement letter which is provided prior to the commencement of work.

10 locations

- Albany
- Batavia
- Buffalo
- East Aurora
- Geneva
- New York City
- Rochester
- Syracuse
- Utica
- Rutland, VT

Approximately 750 employees

More than \$100 million/year in firm revenues

140+ partners/principals

110+ managers

Client Types & Services**Who We Serve:**

- Governments
- Public Authorities
- Real Estate Developers
- Healthcare
- Individuals
- Unions
- Tax-Exempt
- Public Companies
- Small Businesses
- Mid-Sized Privately-Held
- Colleges and Universities

Services:

- Accounting & Auditing
- Business Advisory
- Healthcare Consulting
- IT Consulting
- Risk Management
- Tax Planning & Preparation

Our firm has grown to be the largest independent provider of accounting, business advisory and financial services in Upstate New York. Our offices employ approximately 750 full-time employees. The Town's engagement will be serviced from our Rochester office.

We serve organizations that desire quality professional accounting and other services at a reasonable cost and who need personalized and timely delivery. Bonadio provides an environment where creative, people-oriented professionals practice accounting and consulting services without some of the constraints inherent in large, bureaucratic firms. We believe that our size is a reflection of the outstanding service level we provide to all of our clients. It is this combination that has made us successful and is responsible for our continued growth.

We provide highly technical and quality service commensurate with that of the largest certified public accounting firms. However, we are able to respond quickly and personally to the needs of our clients because we are structured to service our clients in this way. You will interact regularly with our most experienced personnel, i.e., our partners, principals and managers. This is in sharp contrast to most accounting firms where quality involvement of their most experienced personnel is limited.

There is no national office hierarchy to contend with so any matters requiring consultation can be dealt with in our office. This enables prompt turnaround and the ability to deliver timely and outstanding service to our clients.

Bonadio is a diversified professional services firm offering multi-dimensional accounting and auditing, business advisory and financial services to clients around the world.

- A Top 100 CPA Firm in the U.S. by *Public Accounting Report* and *Inside Public Accounting*.
– Ranked 39th in 2017 on Accounting Today's list of Top 100 Firms
- Identified by *Practical Accountant* as a CPA Innovative Firm.
- Identified by *Accounting & Financial Women's Alliance (AFWA)* and *the American Women's Society of Certified Public Accountants (AWSCPA)* as a Best Accounting Firm for Women

Specific Expertise

Simply put The Bonadio Group's government experience and expertise is extensive and growing. In addition to being one of the largest independent CPA firms in the State, we maintain one of the largest government practices. With a roster of more than 300 government clients and the bench strength of 12 partners averaging over twenty years' experience, we are confident in our ability to serve your needs.

Audit Quality Center Participation

We are a member of AICPA's Government Audit Quality Center. We are proud of the quality of our work. In order to ensure that this high level of quality is maintained, we have established a comprehensive quality assurance program. This program starts with hiring the best people available and continues with extensive training - 80 hours annually, per person, on average. We are also members of the AICPA Center for Public Company Audit Firms and Moore Stephens International. We annually attend the AICPA National Government Conference and all managers, seniors and staff are required to attend annual in-house training on audits of government agencies.



**Governmental Audit
Quality Center**

Of most importance to us is our commitment to the AICPA Government Audit Quality Center. Involvement in this is optional, but indicates a level of commitment above all other non-member CPA firms. Our participation requires that our firm and personnel attain additional continuing professional education on an annual basis.

We have an established program which ensures that all audit engagement personnel possess current knowledge, appropriate to their level of involvement in the engagement, of applicable professional standards, rules, and regulations.

Our clients all benefit from Bonadio's commitment to quality. Quality is not an add-on process at Bonadio. Rather, it is engrained in our corporate culture and is integral to all aspects of our client service. The quality process begins with a well thought out approach to service delivery. From the selection of experienced personnel to serve you and development of a client specific comprehensive audit plan, you will gain from our commitment to quality in providing the requested services.

Prior Engagements with Government Entities

When it comes to the business of government, Bonadio is all business. Whether it's performing an annual financial statement audit, analyzing cost containment and savings opportunities, or attacking Medicaid fraud and abuse, Bonadio is prepared to deliver outstanding results for reasonable fees.

On an annual basis, Bonadio conducts hundreds of different types of audits for a variety of governmental entities. We audit financial statements, perform compliance and operational audits, help our clients assess and remediate risk, & More. Our auditors are charged with understanding and applying the most recent *Government Accounting Standards Board (GASB)*, *Government Auditing Standards* ("Yellow Book"), and other auditing standards, and are known for their responsiveness, dedication to detail, insightful management reports, and ability to communicate findings in an understandable manner.

Beyond audits, Bonadio works with governmental entities to find ways to cut operational costs, streamline operations, eliminate waste, and identify fraud. Our CPAs and MBAs bring real world, hands-on experience backed by academic and professional credentials in internal auditing, information systems auditing, forensic accounting, integrated resource management, and purchasing management, among other services.

Bonadio provides a comprehensive array of services to its clients. Our current offerings include audit and accounting, tax and consulting (including: both systems and operational review capabilities, health care consulting, business advisory services, personal and family finance). The breadth of services we are able to provide ensures that your needs are met both timely and effectively by your client service team.

In addition to core audit services, examples of special projects where we have assisted government clients include:

- PILOT studies (Industrial Development Agencies & for municipalities)
- Analysis of workforce needs
- Recommendations on rates to be charged for municipal services
- Developing cash receipts procedures and the related training of staff
- Various internal control analyses, including financial and operational
- Procedures documentation
- Health services delivery models
- Project audits related to grant reimbursement submissions
- Public Authority Accountability Act mandatory training

This experience directly benefits you and the Town as we understand the multitude of issues you could face. We are also able to help deliver the financial messages to your Town Board and address the questions they have in a clear, understandable manner. We know that Board members have a wide range of backgrounds and we work to ensure they are comfortable with the material we present.

Office of State Comptroller (OSC)

The OSC, as you know, periodically identifies areas of focus for its audit teams statewide. The latest areas of focus include the following:

- a) Fund balance – relationship between unrestricted/restricted and Town budget practices and decisions used in developing tax levy amounts, use of reserves and similar items.
- b) Governance – overall assessments of governance and controls within the Town as well involvement of Board in these decisions.

We have worked with clients to address these concerns or to participate in corrective action plans or meeting with the OSC.

Bonadio Services for Government Entities

We have significant experience working with the following:

Auditing:

- Financial
- Uniform Grant Guidance
- Claims
- Internal
- Employee Benefit Plans (457 Plans)
- Operational, Efficiency, Performance
- Vendor Requirements, Performance, Billing

Benchmarking & Best Practice Projects

Human resources consulting

Board Governance: Assessment, Program Development, & Training

Cost Allocation

Contract Performance Monitoring

Cost Containment & Savings Assessments

Cost / Benefit Analysis

Expense Reduction Analysis:

- Forensic Accounting
- Internal Control Assessment, Remediation, Documentation, & Testing
- Internal Departmental Audits
- Management Information Systems Analysis & Enhancements
- SAS 70
- Strategic Planning

Government Expertise

Our firm continues to experience long-term growth and success because we've built a team of people that are experts in governmental auditing. With almost twenty (20) partners and principals specializing in this area, all of our expertise and knowledge is not concentrated with a few individuals. This is key to helping our clients grow and to helping develop our staff to better understand and excel in the government arena.

We believe that our people make the difference. The primary personnel assigned to serve you have a unique blend of governmental audit and consulting experience. The people identified will be the key contacts for you. Full biographies are included in the appendix.

Please be aware that we maintain continuing professional education as required by professional standards and meet the independence requirements of *Government Auditing Standards*, published by the U.S.



Randy Shepard, CPA

Role: Engagement Partner

Duties: Randy is responsible for the overall engagement relationship. He is also the signing partner which means that he is ultimately responsible for the technical matters and all deliverables. In this way, Randy is the sole point of contact to ensure the consistent and timely delivery of every aspect of this account. All members of the team report to him. Randy will handle presentations to the Town.



Heather Briggs, CPA

Role: Engagement Principal

Duties: Heather will oversee the day-to-day activities of the staff assigned to the engagement. She will be a key contact and resource for the audit team, as well as to the day-to-day accounting personnel at the Town.

Staff Continuity

As a professional service firm, we understand that a primary concern of most clients is continuity of people assigned. We are extremely sensitive to this issue and assure you that we will make every effort to maintain continuity of personnel on your engagement to ensure that you will be served by the individuals most familiar with your account. Our proposed team is committed to maintaining a long-term professional relationship that will benefit you in future years. Given the importance of the Town to our firm, we may assign additional supervisory resources to assist the audit team to ensure all deliverables are issued with our agreed to timelines. These resources are full-time employees and will be managed by Randy.

Bonadio's current staff turnover rate is approximately 12% per year, well below the accounting industry norms of up to 30%. We are strongly committed to driving our retention rate up as a means of ensuring staff continuity for our clients.

Audit Timeline/Audit Approach	Professional Fees	Firm Qualifications	References
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Town of Penfield	Town of Murray
<p>Scope of Work: External Audit, Justice Court, AUD preparation</p> <p>Engagement Lead: Randall Shepard, Partner</p> <p>Total Hours: 200</p> <p>Years Engaged: Since 2011</p> <p>Contact: Barbara Chirido (585) 340-8621</p>	<p>Scope of Work: External Audit, Single Audit,</p> <p>Engagement Lead: Randall Shepard, Partner</p> <p>Total Hours: 150</p> <p>Years Engaged: Since 2012</p> <p>Contact: John Morriss (through 12/31/17) Bob Miller (effective 1/1/18) (585) 638-6570</p>
Village of Lyndonville	Town of Pittsford
<p>Scope of Work: External Audit, AUD preparation, Bookkeeping assistance</p> <p>Engagement Lead: Randall Shepard, Partner</p> <p>Total Hours: 150</p> <p>Years Engaged: Since 2013</p> <p>Contact: Teri Woodworth (585) 765-9385</p>	<p>Scope of Work: External Audit, Justice Court, Deferred Comp. Audit, AUD preparation</p> <p>Engagement Lead: Randall Shepard, Partner</p> <p>Total Hours: 200</p> <p>Years Engaged: Since 2014</p> <p>Contact: Greg Duane (585) 248-6225</p>



A Professional Accounting Corporation
Associated Offices in Principal Cities of the United States
www.pncpa.com

SYSTEM REVIEW REPORT

To the Partners of Bonadio & Co., LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Bonadio & Co., LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended April 30, 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. As a 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 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 *Government Auditing Standards*; audits of employee benefit plans, audits performed under FDICIA, and examinations of Service Organizations Control (SOC) 2 engagements.

In our opinion, the system of quality control for the accounting and auditing practice of Bonadio & Co., LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended April 30, 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*. Bonadio & Co., LLP has received a rating of *pass*.

Postlethwaite & Netterville

Baton Rouge, Louisiana
September 12, 2014

Randy Shepard, CPA—Engagement Partner (rshepard@bonadio.com)



Randy is a partner in The Bonadio's Government Division. He has been with Bonadio for over 20 years with experience in many areas of attestation engagements. Randy provides consulting, accounting, and auditing services for a variety of clients such as municipalities, public authorities, and local development corporations. As a result of this work, Randy has developed extensive experience with respect to compliance and reporting requirements for these organizations, knowledge of Governmental Accounting Standards Board (GASB) pronouncements, the NYS Public Authorities Reform Act, as well as the evaluation and design of internal accounting systems. Randy has also been a speaker on various governmental topics for the NYS Association of Counties as well as Governmental Finance Officers Association, including most recently GASB 75 & 77.

Randy received his B.S. degree in accounting from the State University of New York at Geneseo. He is a member of the American Institute of Certified Public Accountants and Government Finance Officers Association (National and Local level). Randy is the Treasurer and also the Chair of both the Audit and Finance Committees of the Seneca Park Zoo Society. Randy is a 2008 recipient of the Rochester Business Journal's Forty Under 40 award for leadership and service in their jobs and in the community. Randy is also one of the initial leaders identified by the firm to participate in the Bonadio Leadership University.

Heather Briggs, CPA—Engagement Principal (hbriggs@bonadio.com)



Heather Briggs is a Principal in Bonadio's Government Division. Her decade's worth of accounting experience has given her extensive knowledge in the audits of government agencies and not-for-profit organizations in accordance with Uniform Grant Guidance including counties, cities, universities, school districts, housing authorities, retirement homes, churches, and charitable organizations, to name a few.

Heather is a member of the American Institute of Certified Public Accountants. She received her B.S. in Accounting from SUNY New Paltz in 1997 and a Masters in Accountancy from Phoenix University in 2010.

Appendix

Peer Review

Professional Biographies

Client List

Independence

Client List

We believe the value to our clients is based on two things: 1) relevant expertise and 2) sound, practical advice. You will not find a comparable dedication of resources and practice size in any other firm in Upstate New York. This allows your client service team to have the depth of knowledge and experience to meet your critical needs. Below is a sample list of Municipal clients:

Town of Albion	County of Columbia
Town of Canandaigua	County of Erie
Town of Clarkstown	County of Essex
Town of Fishkill	County of Greene
Town of Glennville	County of Livingston
Town of Greece	County of Monroe
Town of Grand Island	County of Niagara
Town of Hyde Park	County of Onondaga
Town of Irondequoit	County of Ontario (Health facility and project work)
Town of Murray	County of Schoharie
Town of North Castle	County of Seneca
Town of Penfield	County of Steuben
Town of Pittsford	County of Sullivan
Town of Perry	Nassau BOCES
Town of Schodack	Southern Westchester BOCES
Town of Windham	Suffolk Community College
City of Cortland	Monroe County Airport Authority
City of Lockport	Monroe County Water Authority
City of Troy	Western Regional Off-Track Betting Corporation
City of Syracuse	Western Suffolk BOCES
City of Port Jervis	Village of Lyndonville
City of Utica	Village of Medina
Chautauqua County	

Appendix			
Peer Review	Professional Biographies	Client List	Independence

We assure you that our relationship current Bonadio clients will not affect our ability to serve the Town with the type of dedication, commitment, and professionalism you expect. We will provide a secure, discreet, and confidential environment and would like the Town to note the following:

- Team members will maintain the strictest confidentiality related to information obtained during the audit process.
- We currently work with other towns and have maintained our commitment to discretion and confidentiality.
- We have a wealth of experience in providing confidential and discreet services to multiple clients.

Bonadio is independent with respect to the Town in accordance with Rule 101 of the AICPA’s Code of Professional Conduct, and its interpretations and rulings. Bonadio is independent of the Town as defined by auditing standards generally accepted in the United States of America, the U.S. GAO’s Government Auditing Standards and no conflicts of interest exist. We have not provided any services to the Town in the past five years.

In order to ensure that we are independent with all existing and new attest clients, we have an annual process of surveying all employees and obtaining a response in writing as to any potential conflicts, which are then reviewed in detail and resolved. This process involves an individual, detail review of our full firm client list and answering a questionnaire with specific independence-related issues. In addition, on an ongoing basis, we inform our people of proposal opportunities to identify any potential conflicts that arise throughout the year.

Federal or State Desk Reviews/Disciplinary Action

Because of the significant number of governmental agencies to whose regulations and standards we and our clients are subject, we periodically undergo routine inspections of various aspects of our professional practice. Should you engage us to provide services for you, we will discuss the nature and results of these inspections, to the extent appropriate in the circumstances. **However, no state (or federal) regulatory agencies or professional organizations have taken any disciplinary action (nor is there any pending) against our firm during the past five years.**