



**Proposal to Provide External Auditing Services to
Lexington-Fayette Urban County Government
RFP# 14-2024**



April 9, 2024



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Title Page

Proposal to provide external auditing services to the Lexington-Fayette Urban County Government for RFP# 14-2024.

April 9, 2024

Firm's Name: Crosslin, PLLC

Contract Person: John H. Crosslin, CPA, MBA
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Second Floor
Lexington, Kentucky 40507
(859) 254-4428
and
3803 Bedford Avenue
Suite 201
Nashville, Tennessee 37215
(615) 320-5500



April 9, 2024

Purchasing Department
Lexington-Fayette Urban County Government

Dear Purchasing Department:

Crosslin, PLLC (“Crosslin”) is pleased to respond to your Request for Proposal and to demonstrate our unique credentials to provide financial and compliance audit services to the Lexington-Fayette Urban County Government (“LFUCG”) for the year ending June 30, 2024, and the subsequent five fiscal years for a total contract period of six years. Crosslin proudly serves as the independent auditors for several similar sized governments; therefore, we are intimately familiar with the inner workings of a government’s financial operations. We would be delighted to have LFUCG as one of our important customers and, if selected, we will provide the outstanding customer service that LFUCG desires. We are excited for the opportunity to showcase our credentials. We are confident you will decide we are **the best choice** for LFUCG.

Functional Requirements

Crosslin fully understands the scope of work requested by LFUCG, and we are committed to performing the work and meeting all deadlines within the required time frame. This proposal represents a firm and irrevocable offer if accepted within three months.

* * * * *

Crosslin is the best qualified firm to serve the accounting and audit service needs of LFUCG for the following reasons:

Experience, Expertise, Value, and Trust

Experience, expertise, value, and trust. That’s what you look for in your business partners and what we believe we have demonstrated during our tenure serving several similar sized cities. In this proposal, we will show you how we will meet these criteria and why Crosslin is the answer to your unique requirements.

Any firm can list its qualifications, but a reputation for superior service must be earned and maintained. While we are understandably proud of our credentials, we place equal value on our reputation for dedication to our customers. On each and every engagement we undertake, we pledge to work with our customers to achieve their goals in a timely and efficient manner.



Trust in your accounting firm to perform as requested, to become vested in your processes and mission, and to always consider the LFUCG's needs with a sense of urgency is what we pledge to you and what we will accomplish during our tenure with LFUCG. Trust must be earned through a firm's actions, not their promises. We believe the accounting team members for the other governments that we serve would say they trust Crosslin and that we keep our promises as well as meet our deadlines. We encourage you to ask our customer references. We intend to keep this promise during our tenure with LFUCG.

Extensive Experience in Serving the Government Sector

Crosslin is one of Tennessee and Kentucky's premier professional accounting service firms. Our team members have vast experience in providing services to governmental entities. Our practice is extensive, and we annually train our entire staff and numerous industry professionals to meet *Government Auditing Standards* and to comply with the American Institute of Certified Public Accountants ("AICPA")'s training guidelines as to hours and content.

Crosslin was originally founded in Nashville, Tennessee and recently merged with a prominent and respected accounting firm based in Lexington, Kentucky. This strategic merger brings together the strengths and expertise of both firms, which enhances our ability to provide comprehensive and top-tier accounting services to clients across our region. We are eager to offer our expertise to meet LFUCG's external auditing needs. Our team of seasoned professionals bring a wealth of experience in financial analysis, compliance, and auditing practices. The Crosslin team assigned to LFUCG's engagement will be primarily based in Kentucky. With a commitment to excellence and our focus on customer service, we assure you that our services will not only meet but exceed your expectations. We understand the importance of fiscal responsibility and accountability in municipal governance, and we are here to contribute to LFUCG's success. Crosslin is not just a service provider. We are invested in the long-term growth and prosperity of the communities we serve and commit to delivering unparalleled value to our clients across both Tennessee and Kentucky. Rest assured, we are here to stay, and our dedicated team looks forward to building a lasting partnership with LFUCG.

Between our Tennessee and Kentucky based offices, we believe that we have significantly more depth of resources and experience in auditing governmental entities than any firm in the Region. A few of our current customers include, the Metropolitan Government of Nashville and Davidson County, Tennessee ("Metro"), the Cities of Clarksville, Knoxville, Franklin, Gatlinburg, Crossville, Greenbrier, and Ridgeway, Metropolitan Transit Authority, Knoxville Area Transit, the Knoxville City Pension System, Tennessee School Boards Association, and Convention Center Authority of Metropolitan Nashville among others. Our prior customers have included the Cities of Brentwood, Ashland City, Belle Meade, and Spring Hill, the Town of Thompson's Stations, the Sumner County Government, Nashville Electric Service, Harpeth Valley Utilities District, Metropolitan Nashville Airport Authority, and the Metropolitan Development and Housing Agency. Our firm has audited more of the Metropolitan Government of Nashville and Davidson County, including the central government and its component units, than any other firm for the longest period of time.

Additionally, in our work with several of our governmental entity customers, we have experience with the GFOA Certificate of Achievement program. The engagement team we have assigned to your audit have performed GFOA checklist reviews of the ACFRs for Metro, the Cities of Franklin, Brentwood, Knoxville, and Clarksville, Metropolitan Nashville Airport Authority, and Knoxville Pension System. We confirm that we are and will be available to LFUCG for specialized consultation and support assistance on sensitive or highly specialized issues throughout the year.



Final Thoughts

In these turbulent economic times, resources are scarce and needs are many. Governments are hard pressed to allocate the revenues to the many valuable services they provide to their citizens. Our proposal offers a viable solution: an audit team that equals or exceeds the expertise, quality, and responsiveness of local and national firms, but at a reduced expense.

Please compare our experience with other firms. We believe that our vast governmental experience, our strong principal-driven service philosophy, and our specific experience with municipalities and component units, make us the best qualified firm to serve LFUCG.

These points are but a few examples of the credentials which make Crosslin the right team for LFUCG. We are confident that the services we offer will exceed your expectations, and that our commitment to outstanding customer service will reflect the same dedication with which LFUCG serves its citizens. We would appreciate the opportunity to work with LFUCG, and we look forward to building our relationship with you.

Crosslin fully understands the general requirements and the scope of work requested by LFUCG, as defined within the RFP. We are committed to performing the work within the timeframe set forth in the RFP.

I will serve as the authorized negotiator on behalf of this firm. My contact information is as follows:

Company Name:	Crosslin, PLLC
Attention:	John H. Crosslin, CPA, MBA
Address:	318 E. Main Street, 2nd Floor Lexington, Kentucky 40507 and 3803 Bedford Avenue, Suite 201 Nashville Tennessee 37215
Phone:	615.320.5500
Fax:	615.329.9465
Email:	john.crosslin@crosslinpc.com

If you have any questions about any information in our proposal, please contact Curtis Payne, Concurring Reviewer and Audit Principal, or myself at (615) 320-5500. We would consider it a privilege to provide financial and compliance audit services to LFUCG.

Sincerely,

CROSSLIN, PLLC

John H. Crosslin, CPA, MBA
Audit Principal and Co-Managing Principal



Why Should LFUCG Engage Crosslin?

1. Comfort Level and Commitment

With Crosslin, what you see is what you get! **LFUCG will be a paramount customer of our firm. Crosslin is large enough to have the resources to serve you well and small enough to care. We are committed to every aspect of your satisfaction.** Our senior leadership team shows up and works hard every day to try to make us a better firm, and the same commitment applies to you. **We are a firm devoted to our people, our customers, and our profession.**

Other accounting firms may offer services similar to ours, but we believe Crosslin stands alone when it comes to relationships. To each customer we serve, we pledge a superior level of customer service. This pledge, combined with our technology, personnel, and substantial experience with government and not-for-profit audits, significantly distinguishes us from other firms.

We believe our experience with other governments and their personnel during our tenure is the best evidence of our commitment and of our service philosophy. We pledge to provide significant expertise, an experienced engagement team, timely performance, and cost effective services. We pledge to meet your expectations in a similar manner. Our history and experience in auditing governments means you will have a trusted business partner, with knowledgeable team members, who you can count on to serve the needs of LFUCG.

2. Reasonable Fee

The basis for quality audit work is not based on price alone, but upon highly experienced leadership which, when combined with extensive planning and risk assessment activities, and a hands-on approach, leads to effective and efficient audit service delivery. We are better able to control overhead costs than larger firms, and that ability has a direct, favorable impact on our rates. More favorable rates, combined with the above-mentioned factors and our deep experience with governmental entities, position Crosslin to provide highly cost-effective solutions for you. Other firms may submit lower prices, but you can count on Crosslin's relationship with LFUCG to be one of mutual respect and one that provides outstanding experience, quick resolution of all technical issues, and customer service. You can count on Crosslin's audit relationship with LFUCG to be one of mutual respect and one that provides outstanding customer service.



Why Should LFUCG Engage Crosslin? (continued)

3. Experience of Our Team

Serving cities and related governmental entities is our specialty. Our management team has approximately 336 years of governmental experience among them. This is why Crosslin serves(d) as the audit firm of choice for four of the 10 largest cities (3 of the top 5) in Tennessee. Our firm has also audited two counties in Middle Tennessee, which is unique since the State of Tennessee Comptroller performs all Tennessee County audits with the current exception of 3 counties statewide.

Other accounting firms may have specialists in other cities or industry teams, but what really matters is the intent and ability to use available competent personnel as needed. It's our commitment to use our resources on a timely basis to serve LFUCG; that sets us apart from other firms. Our Governmental Services team remains consistent by design, which benefits the experience level and efficiency of the audit process.

4. Principal and Manager/Supervisor Involvement

The Principals and Managers/Supervisors assigned to your engagement will be involved with you throughout the year. Crosslin's philosophy is to provide you with business partners who are available year-round to assist you. In addition, the senior leadership level reviews are performed on-site during fieldwork so that any questions or issues can be addressed and resolved on a timely basis.

Our Principals and Managers/Supervisors commit to spending significant hours (approximately 35%) on the engagement. This is not the traditional model for an accounting firm, but we find it to be more effective and successful than the traditional model. In addition to heavy Principal and Manager/Supervisor involvement, the engagement senior auditor will be onsite every day to supervise the audit and our engagement team. Our audit approach will continue to focus on frequent contact with LFUCG's management, the Audit Committee, and the Council throughout the year.

5. Experience with Large Complex Engagements

The Crosslin team is comprised of professionals who have decades of experience working on complex engagements and meeting deadlines. In addition to LFUCG, we serve the Metropolitan Government of Nashville and Davidson County, which is a complex governmental entity consisting of 80 fund reporting units plus component units and agencies (for fourteen years), we also serve Coreslab Holdings U.S., Inc., a subsidiary of a Canadian Holding Company which consists of 17 individual subsidiary audits in 14 states and a consolidated audit to be completed within 55 days of year-end (over 2,000 hours). The timing of these engagements do not and have not conflicted in any way with our LFUCG timeline. Other complex jobs performed by Crosslin include the City of Clarksville, the City of Knoxville, Southwestern/Great American, Inc., and the Tennessee Baptist Convention. These jobs demonstrate Crosslin's ability to complete complex engagements on a timely basis.



Why Should LFUCG Engage Crosslin? (continued)

6. Service Dedication

We meet deadlines and deliver as promised. This is evidenced in our work with the Metropolitan Government of Nashville and Davidson County, the Cities of Clarksville, Franklin, Knoxville, Gatlinburg, Crossville, and others. For all instances, we were able to significantly improve the timing of their audits. While serving as your auditor, we will submit all reports within the required deadline. Additionally, we will assist LFUCG in achieving the GFOA Certificate of Achievement as well as help guide LFUCG with the implementations of new GASB Statements as they become effective.

7. Staff Continuity

Crosslin has historically been successful at maintaining continuity of engagement personnel with our customers. We have worked hard to recruit and retain an unusually dedicated staff. A continuing goal of Crosslin is the development and maintenance of a long-term relationship. Therefore, the planning, execution, and supervision of our work is rendered by principals, managers, supervisors, and audit/tax professionals who are expected to serve you over many years. Because of the high touch nature of our principals, managers, and supervisors in serving our customers, you can be assured you will be served by professionals who know you well, long into the future!

8. Completion of the Audit Within the Required Timeframe

As noted previously, we are committed to complete the audit within the required time frame. We will perform interim testing, which includes tests of controls, in order to finalize our planning, timing, and approach for the fiscal year under audit. This enables us to focus our time and resources on substantive testing during final fieldwork. Our team will prove that we can meet the required timeframe year after year for LFUCG.

9. WBE Partner - Peer House, LLC

Peer House, LLC (“PH”) was found in 2016. Ozlem Davis, Owner and President, is a CPA, CFF, and CFE. She is a member of the Kentucky Society of Certified public Accountants, the Association of Certified Fraud Examiners, and the American Institute of Certified Public Accountants. She has over eighteen years of experience in a number of industries.

PH provides quality accounting and financial services to a broad range of clients in Lexington, Kentucky and the surrounding areas. PH believes that by providing financial and accounting solutions that match their clients’ unique needs, they can assist clients in meeting their objectives and also help shape the Lexington community. PH will serve as our WBE partner throughout our tenure as external auditors for LFUCG.



Why Should LFUCG Engage Crosslin? (continued)

10. Benefits of Changing Auditors

A few of the benefits of changing auditors are as follows:

- A different set of experienced eyes looking at the same system may see something your current auditor may have missed.
- Independence of auditors can be undermined after long terms of appointment. We confirm that Crosslin is independent of LFUCG.
- Changing auditors could provide cost savings to LFUCG, as it gives you an insight on competitors' prices.
- After several years in an engagement, complacency can arise. Generally, local firms can make local decisions. If the need arises, we can rotate principals to continue quality service.
- With complacency comes a threat to independence and objectivity. Accordingly, the audit can suffer.
- A new auditor will bring a fresh approach and better service to LFUCG.

Independence

Maintaining independence in both fact and appearance and in accordance with the American Institute of Certified Public Accountants (“AICPA”) and other standards is a fundamental element of our quality control. Each new customer is subject to a determination of independence as part of our normal customer acceptance procedures.

This statement serves as confirmation that Crosslin are independent accountants with respect to LFUCG. We will maintain independence in the performance of all of our services. The firm, all principals and all personnel assigned to the engagement are independent under *Government Auditing Standards* No. 3, *Independence*, and Rule 101 of the AICPA Code of Professional Ethics, including Ethics Interpretation 101-10.

PH has no professional relationships involving LFUCG or any of its agencies or component units or oversight units in the past five years. Crosslin; however, has had one professional relationship involving LFUCG in the past five years. Mark Enderle, Tax and Valuation Principal in the Lexington, Kentucky office was engaged to assist W. Bradley Hawkins, Esq., PLLC and its clients, Tommy Puckett and Mario Russo as of December 21, 2022 in Case No. 13-CI-4544 (the “Case”).



Independence (continued)

The professional litigation support services that Mark was expected to provide included the following:

- Calculate the difference between LFUCG's annual required contribution (ARC) to the Policemen's and Firefighters' Retirement Fund and the amounts actually contributed by LFUCG for the fiscal year ended June 30, 2011.
- In the event the calculation resulted in a shortfall under the first bullet point, we would calculate the lost earnings on the shortfall according to the methods promulgated in the Kentucky Revised Statutes.
- Would provide expert witness testimony at depositions or trial in support of the work we have performed and the conclusions we have reached.

As of March 31, 2024, Mark Enderle has retired as a principal from Crosslin and started his own practice. As part of his transition into retirement, he will continue to work for Crosslin as an independent contractor and will continue his work on this case on his own; therefore, Crosslin will no longer be engaged on this Case. Effective April 1, 2024, Mark Enderle is now an independent contractor.

License to Practice in Kentucky

Crosslin, PH, and all assigned key professional staff are properly licensed to practice in Kentucky. A copy of both Crosslin and PH's licenses follow this page. In addition, PH's National Women's Business Enterprise Certification follows the licenses.

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

Crosslin, PLLC

This is to certify that the above named firm holds an active license in good standing through August 1, 2024.



Firm License No. 1347

Amy Thomas Miller, CPA
Secretary/Treasurer



Kentucky Board of Accountancy Firms

Firm Verification

Kentucky State Board of Accountancy
332 W. Broadway, Suite 310
Louisville, KY 40202

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Details

Name of Firm	Peer House, LLC
Address	700 Fernwood Ct.
City	Lexington
State	KY
Zip	40514
License Number	2060
Expiration Date	August 1, 2024
*Initial License Date	2/17/2022
Status of License	Active
Disciplinary Action	No



JOIN FORCES. SUCCEED TOGETHER.

hereby grants

National Women's Business Enterprise Certification

to
Peer House LLC

who has successfully met WBENC's standards as a Women's Business Enterprise (WBE).
This certification affirms the business is woman-owned, operated and controlled and is valid through the date herein.

WBENC National WBE Certification was processed and validated by Women's Business Enterprise Council Ohio River Valley, a WBENC Regional Partner Organization.

Certification Granted: December 15, 2021
Expiration Date: February 28, 2025
WBENC National Certification Number: WBE2103267

Authorized by Lynnise Smith, Executive Director
Women's Business Enterprise Council Ohio River Valley



NAICS: 541219, 541211, 541213
UNSPSC: 84111500, 84111501, 84111502, 84111503, 84111504, 84111505, 84111506, 84111508



AFFIDAVIT

Comes the Affiant, John H. Crosslin, Co-Managing Principal, and after being first duly sworn, states under penalty of perjury as follows:

1. His/her name is John H. Crosslin and he/she is the individual submitting the proposal or is the authorized representative of Crosslin, PLLC, the entity submitting the proposal (hereinafter referred to as "Proposer").

2. Proposer will pay all taxes and fees, which are owed to the Lexington-Fayette Urban County Government at the time the proposal is submitted, prior to award of the contract and will maintain a "current" status in regard to those taxes and fees during the life of the contract.

3. Proposer will obtain a Lexington-Fayette Urban County Government business license, if applicable, prior to award of the contract.

4. Proposer has authorized the Division of Procurement to verify the above-mentioned information with the Division of Revenue and to disclose to the Urban County Council that taxes and/or fees are delinquent or that a business license has not been obtained.

5. Proposer has not knowingly violated any provision of the campaign finance laws of the Commonwealth of Kentucky within the past five (5) years and the award of a contract to the Proposer will not violate any provision of the campaign finance laws of the Commonwealth.

6. Proposer has not knowingly violated any provision of Chapter 25 of the Lexington-Fayette Urban County Government Code of Ordinances, known as "Ethics Act."

Continued on next page

7. Proposer acknowledges that "knowingly" for purposes of this Affidavit means, with respect to conduct or to circumstances described by a statute or ordinance defining an offense, that a person is aware or should have been aware that his conduct is of that nature or that the circumstance exists.

Further, Affiant sayeth naught.

John H. Crosslin

STATE OF Tennessee

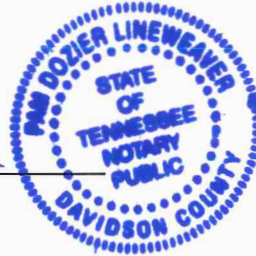
COUNTY OF Davidson

The foregoing instrument was subscribed, sworn to and acknowledged before me

by John H. Crosslin on this the 9th day
of April, 2024.

My Commission expires: October 4, 2027

Pam Dozier Lineweaver
NOTARY PUBLIC, STATE AT LARGE





Our Experience with Governmental Organizations

Due to Crosslin’s extensive governmental and not-for-profit experience, a deeply rooted common body of knowledge has developed in those areas. As a result of our knowledge in the trends and accounting practices in the governmental field, we are able to answer virtually any audit question you may have as it arises. It is critical that your engagement team members be well versed in the pronouncements that are being continuously released by the GASB.

We will always be available to LFUCG’s management for any specialized consultation and support assistance on sensitive or highly specialized areas you may require.

LFUCG currently requires a Uniform Guidance Single Audit, and Crosslin has significant experience in performing these audits. Crosslin performs more than two dozen Uniform Guidance engagements annually, covering one-half billion dollars annually in federal award expenditures. Through our experience and training we are very familiar with the compliance programs and issues facing governments.

In serving the above customers, we have spent nearly 75,000 hours in governmental and not-for-profit engagements over the last 36 months.

Our Government Management Team’s Experience

<u>Name</u>	<u>Position</u>	<u>Years of Experience</u>
John Crosslin	Co-Managing Principal	26
David Hunt	Audit Principal	39
Erica Saeger	Audit Principal	19
Dell Crosslin	Chairman	50+
Jennifer Manternach	Audit Principal	22
Curtis Payne	Audit Principal	11
Katie Farris	Audit Senior Manager	8
Hunter Pons	Audit Senior Manager	7
JD Cage	Audit Supervisor	6
Meg Rechner	Audit Supervisor	5
Mark England	Audit Supervisor	4
Jacob Smith	Audit Supervisor	15
Scott Romans	Tax Principal	14
Rodney Brower	Tax Principal	45
Mark Enderle	Tax Principal	31
Greg Collins	Tax Director	16
Ozlem Davis	DBE & WBE Partner	18
		<u>336</u>

This chart demonstrates the depth of our team, if ever a change in assignments became necessary or desired by LFUCG.



Our Experience with Governmental Organizations (continued)

Similar Significant Engagements

The following list details similar engagements to LFUCG, which demonstrates our experience with transit and governmental entities of a similar nature.

Similar Engagements to LFUCG							
	Scope of Work	Years of Service	Engagement Principals/ Directors	Total Hours	Customer Contact Name	Phone Number	General Fund Expenditures
The Metropolitan Government of Nashville and Davidson County, Tennessee	ACFR Central Government OMB Single Audit Water and Sewer Public Schools School Activity Funds Pension Funds General Hospital Bordeaux Retirement	2010 - Present	David Hunt John Crosslin	7,000	Jennifer Pedginski	(615) 880-1702	\$1.1B
Metropolitan Transit Authority, (WeGo Public Transit)	Financial Statements and other information OMB Single Audit	2002 - Present	Erica Saeger John Crosslin	580	Ed Oliphant	(615) 862-6129	\$134.7M
City of Clarksville, Tennessee Clarksville Transit System	Primary Government ACFR Electric Department Gas Department Water and Sewer Natural Gas Acquisition OMB Single Audit	2013 - 2018 and 2024 - 2026	Erica Saeger David Hunt John Crosslin	1,250	Laurie Matta	(931) 645-7437	\$81.2M
City of Knoxville, Tennessee Knoxville Area Transit	Primary Government ACFR Knoxville Area Transit OMB Single Audit	2013 - Present	Curtis Payne David Hunt	1,400	Savanah Maupin	(865) 215-3022	\$228.7M
City of Franklin, Tennessee Franklin Transit	Primary Government ACFR OMB Single Audit Water and Sewer Pension Fund	2011 - Present	Jennifer Manternach David Hunt Dell Crosslin	600	Kristine Brock	(615) 690-6691	\$85.4M



Our Experience with Governmental Organizations (continued)

Experienced and knowledgeable business advisors are of paramount importance to your ability to operate effectively. To that end, working with organizations in the governmental and not-for-profit arena is a specialty of Crosslin as we have been working with these types of entities for over 30 years. We currently serve more than 50 governmental entities and not-for-profit organizations and provide them with a wide variety of services, including audits, internal control reviews, and management consulting. We work closely with our governmental and not-for-profit customers to ensure that their organizations run as smoothly and efficiently as possible. Our extensive experience provides us with understanding of the specific issues and risks faced by governmental entities.

Additionally, the members of our sizable audit team work with governmental and not-for-profit customers on a daily basis; our senior team members combined have approximately 336 years of governmental experience among them. With unsurpassed experience in auditing governmental entities, Crosslin will undoubtedly provide you with unparalleled quality and immeasurable customer service.

Governmental Continuing Professional Education (“CPE”)

Our firm devotes special resources to our governmental and not-for-profit customers in an effort to keep them up to date on current events within the governmental and not-for-profit arena. In addition to our practical audit experience with these types of organizations, we have experience assisting our customers in the implementation of new accounting and reporting requirements, trends, and practices. Additionally, Crosslin annually hosts a two-day seminar in governmental and not-for-profit accounting and auditing. LFUCG’s accounting team will receive invitations to attend all of our educational conferences (free of charge) for which attendees receive CPE credit.

As a result of the governmental and not-for-profit seminar, the most current documents regarding pending technical matters and compliance with OMB Uniform Guidance are furnished to the Crosslin team in an organized manner.

“Dell and John Crosslin have assembled an excellent team of professionals. They are pleasant to work with and very knowledgeable about accounting requirements and topics. They have raised legitimate topics for consideration not previously raised by other auditors. They listen to our points of view and engage in a discussion to understand the uniqueness of our business, which is very important for a not-for-profit church activity. I am pleased with their service and have recently renewed their engagement. That’s about the highest compliment I can give.”

*Bill Whalen
Chief Financial Officer
Diocese of Nashville*



Our Experience with Governmental Organizations (continued)

GFOA Certificate of Achievement Program

Crosslin has significant, in depth experience with GFOA's Certificate of Achievement Program. Our certificate holders include:

- Metropolitan Government of Nashville and Davidson County, Tennessee
- City of Clarksville, Tennessee
- City of Brentwood, Tennessee
- City of Franklin, Tennessee
- City of Knoxville, Tennessee
- City of Knoxville Pension System
- Metropolitan Nashville Airport Authority

With these governments, our work includes actual hands-on experience in addressing the voluminous GFOA requirements. We read the GFOA checklists, the Governmental Accounting, Auditing, and Financial Reporting ("Blue Book"), and attend financial reporting training, which are essential for appropriate presentations under the GFOA program. If ever a GFOA question arises, our resources include our membership in the AICPA Governmental Audit Quality Center and Bruce Shepard, an AICPA nationally recognized leader in governmental accounting.

In our work with the City of Clarksville, the City of Franklin, and Metro Nashville Airport Authority, we were successful in significantly reducing the number of comments received on the respective ACFRs. Please call our references to gain a full understanding of our knowledge and work on the GFOA Certificate of Achievement Award.

As is discussed in various other sections of this proposal, our governmental training programs exceed the required hours. A large part of this training is geared toward financial reporting and the GFOA program.

"WOW!! The audit reports just arrived. We are blown away with how great they look! You have outdone our expectations several times over. Thank you so much. We are proud to hand out this report! Your humility and professionalism has been evident in all your work and is now evidenced once again in the report itself! THANK YOU!"

*Lynn Stokes
Former Director of Internal Audit
City of Clarksville*



Our Experience with Governmental Organizations (continued)

The list below highlights some of our team’s current and prior governmental and not-for-profit customers.

Cities/Counties and Related Entities/ Component Units

- Metropolitan Government of Nashville and Davidson County*
Convention Authority of Nashville and Davidson County
City of Clarksville, Tennessee*
Clarksville Department of Electricity Lightband
Clarksville Gas, Water and Sewer*
Natural Gas Acquisition Corporation
City of Franklin, Tennessee*
City of Knoxville, Tennessee*
City of Spring Hill, Tennessee*
City of Belle Meade, Tennessee
City of Brentwood, Tennessee*
City of Gatlinburg, Tennessee*
City of Crossville, Tennessee*
City of White House, Tennessee
City of Ridgetop, Tennessee
City of Knoxville Pension System
Metro Water and Sewerage*
Metropolitan Government : Performance Audits for Metro Internal Audit Department and Metro Water Services
Metropolitan Nashville Airport Authority*
Murfreesboro City School System*
Jackson-Madison Internal School Funds
Nashville Electric Service
Metropolitan Development & Housing Agency*
Harpeth Valley Utilities District
Sumner County Government*
Conference Center at Cool Springs

Transit Related Entities

- Metropolitan Transit Authority/Davidson Transit Authority (WeGo Public Transit)*
Regional Transit Authority*
Clarksville Transit System*
Knoxville Area Transit*
Franklin Area Transit *

*Denotes Uniform Guidance Single Audit

Other Government and Not-for-Profits

- Nashville Area Chamber of Commerce
Tennessee Baptist Convention (10 entities)
General Council on Finance and Administration of The United Methodist Church (22 entities)
Greater Nashville Regional Council
Church World Service*
Cumberland Region Tomorrow
Nashville Public Television
Tennessee School Boards Association
Tennessee Insurance Guaranty Association
Purpose Preparatory Academy
Intrepid College Prep School
KIPP Academy Nashville
STEM Preparatory Academy
Smithson Craighead Academy
The Entrepreneur Center
Welcome Home Ministries
First Baptist Church Clarksville
Long Hollow Baptist Church
The Next Door, Inc.*
United Women in Faith
Mur-Ci Homes, Inc.
Scarritt-Bennett Center
Rocky Top Sports World

Universities and Colleges

- Freed-Hardeman University*
Meharry Medical College*
Bethel University*
Welch College*
Trevecca Nazarene University*
Carson-Newman University*
Union University*
Fisk University*
Maryville College*
Martin Methodist College*
Watkins College of Art & Design*
Belmont University*
Sewanee - The University of the South*



Our Experience with Governmental Organizations (continued)

As you know, the Crosslin team will be much more than your auditors. We will use our engagement as an opportunity to identify and communicate suggestions to enhance your operations and expand your service delivery opportunities.

AICPA Governmental Audit Quality Center

Our membership in the AICPA Governmental Audit Quality Center is noted below. The Quality Center is a prestigious group of accounting firms who are well versed in governmental auditing. Membership in the Quality Center is limited to certain firms meeting the eligibility criteria.



The AICPA Public Peer Report File is available on AICPA website at:
<http://peerreview.aicpaservices.org/publicfile/DocDefault.aspx>

Center Members:

Crosslin, PLLC
3803 Bedford Avenue, Suite 201
Nashville, TN 37215

Contact:

David Hunt
615-320-5500
david.hunt@crosslinpc.com

“Crosslin has always done an excellent job performing the annual audit of Metropolitan Nashville Public Schools. MNPS currently has an operating budget of \$790 million and federal/state grants of \$80 million. Their staff is very professional and knowledgeable about accounting requirements of our business. They have been a valuable resource and very responsive to our needs. I am pleased with their service.”

*Glenda M. Gregory
Director of Budgeting and Financial Reporting
Metropolitan Nashville Public Schools*



Peer Review

Crosslin's most recent peer review was completed in January 2023. In our most recent peer review letter, dated February 2023, Crosslin received the highest mark possible: a passing opinion with no comments. This peer review included our governmental/not-for-profit (Single Audit) engagements. Only a small percentage of accounting firms in the country receive this rating. Crosslin has received this same rating for ten consecutive peer reviews, spanning our entire 30 plus year history.

The American Institute of Certified Public Accountants invited all CPA firms to join and comply with certain stringent practice requirements in order to provide the public with the highest level of assurance that such firms conducted quality practices. Because our firm maintains the following standards, Crosslin is a member in good standing:

- Each member of our professional staff receives 40 hours of continuing professional education each year or 80 hours over their two year reporting period. We have BDO, AICPA, and internal training classes available to our team members.
- Each member of our auditing team biannually receives at least 16 hours of education directly related to not-for-profit/governmental auditing (including Single Audit training).
- The firm adheres to a strict system of quality control procedures by the Public Company Accounting Oversight Board ("PCAOB"), Employee Benefit Plan Audit Quality Center ("EBPAQC"), and the American Institute of Certified Public Accountants ("AICPA"). As noted, we are members of the Governmental Audit Quality Center ("GAQC").

Our procedure is to include a concurring Principal review of your issued financial statements and reports to assure quality and timely performance. We have a formal internal control system which includes customer acceptance procedures, second principal reviews, consultation procedures, mentoring, internal inspections, approved continuing education requirements, industry seminars, etc., to mention some of the elements of our internal control system.

Crosslin has worked hard to continually develop the firm and our team members. We do, however, look for ways to continually improve the way we do business, and therefore, better serve our customers.

The peer review letter of Crosslin follows.



JAYNES REITMEIER BOYD & THERRELL, P.C.
Certified Public Accountants
5400 Bosque Blvd., Ste. 600 | Waco, TX 76710
P.O. Box 7616 | Waco, TX 76714
Main 254.776.4190 | Fax 254.776.8489 | jrbt.com

Report on the Firm’s System of Quality Control

February 23, 2023

To the Principals of Crosslin, PLLC
and the Peer Review Committee of the Tennessee Society of CPA’s:

We have reviewed the system of quality control for the accounting and auditing practice of Crosslin, PLLC (the firm) in effect for the year ended August 31, 2022. 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 the requirements of 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 on in conformity with the requirements of applicable 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 and compliance with the firm’s system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act; and audits 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 Crosslin, PLLC in effect for the year ended August 31, 2022, 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*. Crosslin, PLLC has received a peer review rating of *pass*.

Jaymes. Reitmeier, Boyd + Therrell, P.C.



Peer Review (continued)

State of Tennessee Regulatory Reviews

Crosslin performs numerous engagements for governmental entities, not-for-profits, and college/university customers which are governed under contracts with the State of Tennessee. Every audit submitted to the State has a desk review performed. There have been zero engagements not accepted by the State.

Crosslin has submitted all required documents annually to the State of Tennessee for each customer for regulatory review. 100% of our submissions have been accepted by management. Occasionally, there are comments from the State requesting additional information to be included in future years auditor's report or the financial statements. There have been no material comments regarding the audits or submitted financial statements for any of our clients for the last 30 plus years.

"The principals and staff at Crosslin are always professional and easy to work with during our annual audits. They are also sensitive to their clients' needs... They have vast knowledge of accounting rules and pronouncements across several industries."

*Edward Oliphant
Chief Financial Officer
Nashville Metropolitan Transit Authority*



Overview of the Firm

Crosslin is a firm of accountants, auditors and consultants located in Nashville, Tennessee. We have approximately 80 team members, 12 of whom are Principals in the firm, and we serve customers all over the United States as well as internationally.

Our firm was founded in 1987 by Chairman Dell Crosslin, David Hunt, and two other CPAs with the desire to provide organizations with an alternative to the national accounting firm options. Several of the founding team came from “Big Four” firms and believed that a regional firm with national firm resources could provide quality service to organizations with more reasonable fees, more personal attention, and with a greater sense of urgency to deliver services to our customers. As national and regional firms directed their focus to larger customers, Crosslin set out to serve governmental entities, utilities, not-for-profits, real estate, construction, educational institutions, universities, and privately-owned companies, by providing quality services from a local firm. Our firm has elected to register with the Governmental Audit Quality SIBF/GNF (“GAQC”), the Employee Benefit Plan Audit Quality Center (“EBPAQC”) of the American Institute of Certified Public Accounts (“AICPA”), and the Public Company Accounting and Oversight Board (“PCAOB”). We believe these memberships demonstrate our commitment to excellence in serving our customers.

Overall, our firm is ranked in the top 10 in Middle Tennessee. Crosslin has been named “Best in Business” and one of the “Best Places to Work” finalists in Middle Tennessee by the *Nashville Business Journal*.

Crosslin recruits the best team members available without regard to race, religion, sex, age, national origin, or disabilities. Our team members are a diverse group of extremely talented individuals dedicated to outstanding service and the complete satisfaction of every customer we serve.

Crosslin is an active and contributing member of our community and the communities we serve, with team members involved in numerous not-for-profit organizations as board members, advisors, officers, and volunteers. We have been longtime supporters of not-for-profit organizations and initiatives, constantly encouraging our team members, customers, and colleagues to do their part and give back to help others.

Crosslin provides business assurance, tax, and advisory services to organizations in a myriad of industries, including governments, religious organizations, not-for-profit, foundations, education institutions, real estate, construction, venture capital entities, governmental entities, healthcare, major privately-owned businesses, professional services, manufacturing, and distribution. The BDO Alliance gives us access to hundreds of professionals, if needed. Our professionals possess the depth of experience and capabilities necessary to deliver outstanding service on each and every engagement, regardless of its scope or complexity. Through our hands-on approach and commitment to superior customer service, Crosslin and its subsidiaries can truly do more so your organization can be more.



Overview of the Firm (continued)

Involvement of Principals and Managers/Supervisors

Crosslin was founded on the belief that exceptional service can and should be delivered on all levels. Our Principals and Managers/Supervisors enjoy having frequent interaction with their customers and we are committed to maintaining this philosophy.

Principal-in-Charge, John Crosslin, and Concurring Reviewer and Audit Principal, Curtis Payne, will be heavily involved with LFUCG throughout the year and will visit LFUCG premises on a regular basis. Crosslin’s philosophy is to provide you with a business partner who is available year-round to assist you. In addition, the reviews are performed on-site during fieldwork so that any questions or issues can be addressed and resolved on a timely basis. There will always be a senior level CPA on site to supervise and answer any questions that may arise.

“Since arriving in the Clerk’s Office, I’ve been extremely impressed with the expertise and professionalism exhibited by the Crosslin audit team. Their assistance and guidance has proven invaluable to our organization.”

Brenda Wynn
Davidson County Clerk

Policy on Rotating Principals

Crosslin has experienced great success in building knowledge and well-versed teams for our governmental entities. By providing our governmental entities with the same senior leadership year after year, our team is familiar with our government entities business operations, personnel, and the inner workings of the engagement. By growing this familiarity year after year, we are able to better serve you. We have two Principals intimately involved with LFUCG engagement. By staffing in this manner, Crosslin will promote freshness on the account by committing to mandatory Principal rotation every five years, if requested. Therefore, all the Principals will remain on the engagement and retain history, but will periodically transfer assignments within the engagement to guarantee a fresh look at responsibilities, if requested.

BDO Alliance USA Relationship



Crosslin is an independent member of the BDO Alliance USA, a national network of select accounting firms with ties to BDO, the world’s seventh largest international accounting firm. Membership in the Alliance gives us immediate access to the technical literature, training, technical expertise, research capability, and other resources of BDO and other Alliance members. The BDO Alliance networks more than 400 independently owned local and regional accounting and consulting, law, business consulting, and technology firms. As an Alliance member, Crosslin is able to provide customers the depth and breadth of resources and expertise of a major global firm, and the reliable, personalized service that is the hallmark of an independent regional firm that knows and understands governmental and not-for-profit organizations, privately and publicly held companies.

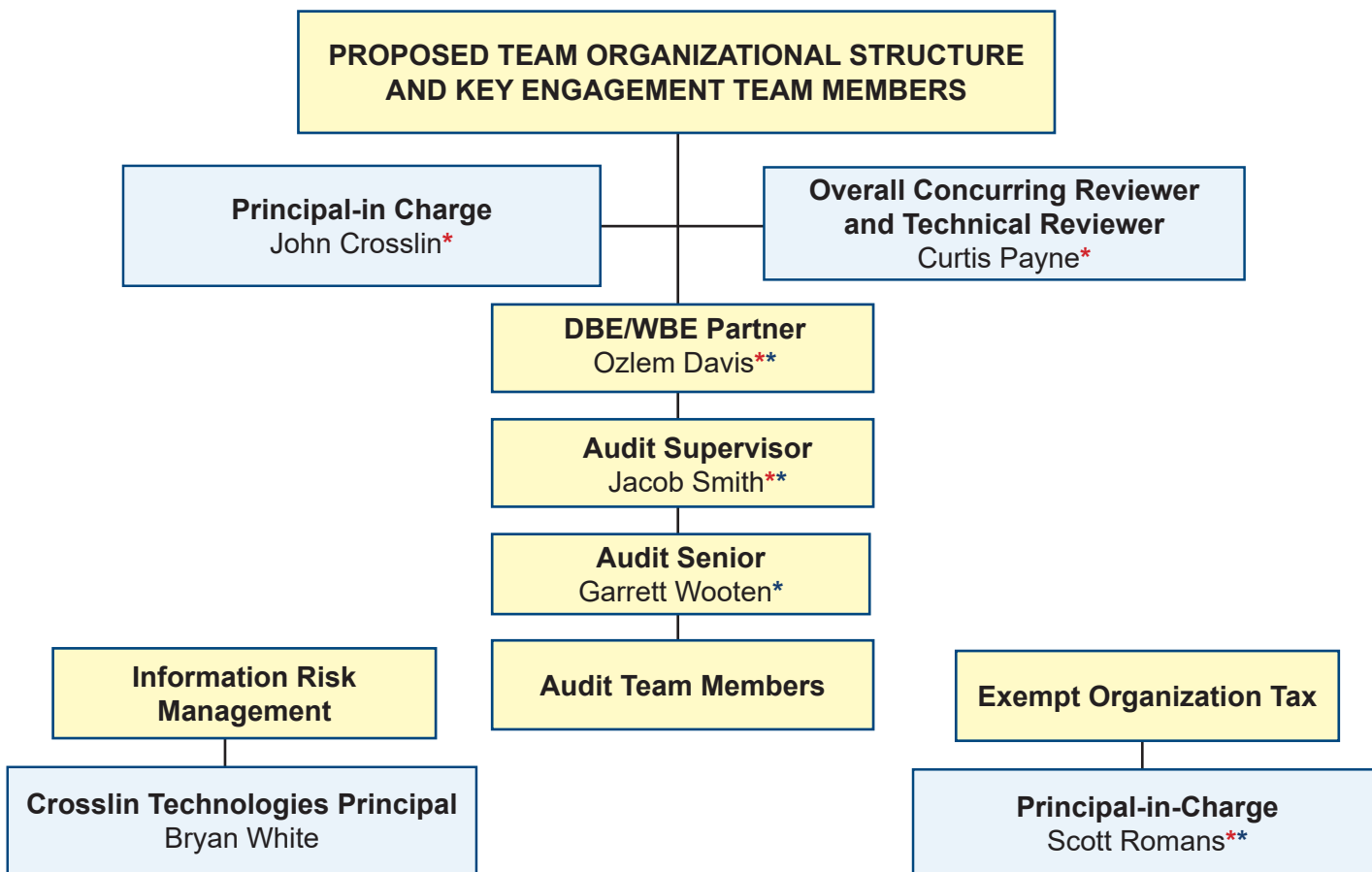


Proposed Engagement Team

Organization of the Assigned Audit Team

Our greatest strength is our people, and our firm was founded with the fundamental belief that we must deliver nothing less than outstanding customer service on each and every engagement. It is only through the dedication of our talented and knowledgeable team that we are able to maintain this service approach. We believe that there is simply no substitute for personal business relationships built on solid communication and timely interaction.

To that end, we have carefully selected the following team of professionals to serve LFUCG. Each member of our customer service team has extensive experience with governmental entities, and OMB Single Audit procedures. Each has received no less than 16 hours per year of continuing education focusing solely on governmental and Single Audit procedures. **All team members assigned to LFUCG are full-time employees.**



* Licensed to practice as a certified public accountant in Kentucky

* Lives in Kentucky



Qualifications of the Proposed Engagement Team

John H. Crosslin, CPA, MBA Co-Managing Principal Principal-In-Charge and Co-Managing Principal

John has been with Crosslin for 26 years. Prior to joining Crosslin, John worked in the Nashville office of a Big Four firm. John has directed the audits of companies in a variety of industries, including governmental entities, not-for-profit, retail, distribution, manufacturing, publishing, and business services. He has managed the engagements of customers such as Metropolitan Government of Nashville and Davidson County, the City of Brentwood, the Brentwood Emergency Communications District, Metro Nashville Water and Sewer, Metropolitan Development and Housing Agency, CDE Lightband, Clarksville Gas, Water and Wastewater, Natural Gas Acquisition Corporation, Tennessee Regional Transportation Authority, Metropolitan Transit Authority, Harpeth Valley Utility District, Bethel University, Fisk University, Belmont University, Montgomery Bell Academy, Choice Food Group, Inc., Nashville Public Television, General Council on Finance and Administration of The United Methodist Church, The United Methodist Committee on Relief, and Church World Service.

John is a member of the United Way of Metropolitan Nashville's Board of Directors, where he serves as Immediate Past Board Chair & Succession Planning Committee Chair. He also has served as Chair, Vice Chair and Treasurer of the board of directors. John was also a past member of the Board of Directors for the Girl Scouts of Middle Tennessee, where he still participates on the Finance Committee. In addition, John served on the Board of Directors of the Music City Youth Orchestra, where he served as the President and Treasurer, and participates on the firm's Community Service Committee. He belongs to the Nashville Striders running group and held a seat on the Montgomery Bell Academy Alumni Board. John was named to the *CPA and NSA Practice Advisor's* 40 Under 40, a national honor that reflects contributions to the field of public accounting by individuals under the age of 40. He was also a recipient of both the Nashville Emerging Leader Awards in the Business Services category, the *Nashville Business Journal's* 40 under 40 honor and named a Power Leader in Accounting for 2015, 2016, 2017, 2018, 2019, 2020, 2021 and 2022 by the same publication.



Education

Bachelor's Degree, Goizueta Business School of Emory University

Master's Degree, Owen Graduate School of Business of Vanderbilt University

Licenses & Certifications

CPA, Tennessee, Kentucky, and Florida, Washington D.C.

Professional Associations

Immediate Past Board Chair & Succession Planning Committee Chair, United Way of Metropolitan Nashville

Former Board Member, Current Finance Committee Member, Girl Scouts of America Middle Tennessee

Former Board President and Treasurer, Music City Youth Orchestra

Former Alumni Board Member, Montgomery Bell Academy



Qualifications of the Proposed Engagement Team (continued)

Curtis Payne, CPA Audit Principal and Concurring Reviewer

Prior to joining Crosslin, Curtis worked at a local firm in Owensboro, Kentucky for 4 years. Curtis has been with Crosslin since 2014. During that time, he has participated in the audits of a variety of industries including not-for-profit, government, education, employee benefit plans, and many other business entities.

Customers served by Curtis include the City of Knoxville, the City of Franklin, the City of Knoxville Pension System, Maryville College, the City of Gatlinburg, the United Women in Faith, Grace Adult Homes, Union University, Bethel University, Welch College, Tennessee School Boards Association, Social Enterprise Alliance, Church World Service, Mur-Ci Homes, Inc., Clarksville Gas, Water and Wastewater Departments, Natural Gas Acquisition Corporation, Greater Nashville Regional Council (“GNRC”), the Metro Water Services of the Metropolitan Government of Nashville and Davidson County, Tennessee, Metropolitan Transit Authority, Nashville Entrepreneur Center, and the Tennessee Baptist Foundation. Curtis also has extensive experience in auditing federal programs under the Uniform Guidance.

Kentucky customers served by Curtis prior to joining Crosslin include Titan Contracting and Leasing, Pilot Steel, Young Manufacturing in Hartford, Kentucky, ARC of Owensboro, and the Wendell Foster Disability Center.

Curtis received his Bachelor of Science in Business Administration/Accounting Emphasis degree from Campbellsville University School of Business and Economics. He also received an Advanced Accounting Certificate from Western Kentucky, Grise School of Business.



Education

Bachelor’s Degree,
Campbellsville University

Licenses & Certifications

Advanced Accounting Certificate,
Western Kentucky University

Certified Public Accountant,
Kentucky and Tennessee

Professional Associations

Member, Tennessee Society of
Certified Public Accountants

Member, American Institute of
Certified Public Accountants



Qualifications of the Proposed Engagement Team (continued)



Ozlem E. Davis, CPA, CFF, CFE

LICENSES and CERTIFICATIONS

Certified Public Accountant ("CPA") Commonwealth of KY 2007
Certified in Financial Forensics ("CFF") American Institute of Certified Public Accountants 2009
Certified Fraud Examiner ("CFE") Association of Certified Fraud Examiners 2009
Certified in International Financial Reporting Standards - (Inactive) American Institute of Certified Public Accountants 2012

EDUCATION

Eastern Kentucky University (AACSB Accredited) Richmond, KY
Major: Accounting
Degree: Bachelor of Business Administration
Graduated: Dec 2006 - Summa Cum Laude with a 3.9 GPA
Bosphorus University Istanbul, Turkey
Major: Translation and Interpreting (Turkish-English)
Degree: Bachelor of Arts
Graduated: May 2001

WORK EXPERIENCE

Peer House, LLC - Lexington, KY Jul 2016 - Present
Owner, President
Kentucky Eagle, Inc. - Lexington, KY Jan 2014 - Dec 2017
Controller
Toyota Tsusho America, Inc. - Georgetown, KY Jan 2012 - Jan 2014
Senior Consolidation Accountant
CDR Minerals USA, Inc. - Hazard, KY May 2011 - Jan 2012
Controller
Dean, Dorton, Allen, Ford PLLC Sept 2006 - May 2011
Specialist in Forensic Accounting and Consulting Services

PROFESSIONAL MEMBERSHIPS

Kentucky Society of CPAs
AICPA
ACFE



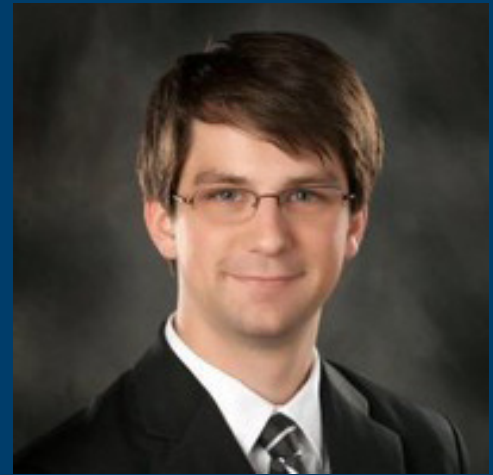
Qualifications of the Proposed Engagement Team (continued)

Jacob Smith, CPA Audit Supervisor

Prior to rejoining the firm in 2022, Jacob has more than a decade of experience in various forms of accounting, financial analysis, and internal/external auditing roles. The majority of Jacob's experience were in educational organizations specifically in external and internal auditing, manufacturing organizations, and compliance auditing. Other experiences Jacob has had was in taxation, for profit entities audits in varying industries as well as serving on the audit committee for a Board of Education and serving as the senior accountant for a local credit union.

Clients served by Jacob are City of Franklin, Tennessee, City of Greenbrier, Tennessee, City of Ridgeway, Tennessee, Church World Service, Martha O'Bryan Center, Cool Springs Conference Center, Greater Nashville Regional Council, IDB Knox County, Cymetech, XMi Financial, Zochem Acquisition Holdings, LP, Zinc Resources, LLC, Wellengood Partners, LLC.

Jacob has been a resident of Bowling Green, Kentucky since 2013. There he has two children and has coached his son's youth soccer team for the past three years.



Education

Bachelor's Degree,
Campbellsville University

Licenses & Certifications

Certified Public Accountant,
Kentucky



Qualifications of the Proposed Engagement Team (continued)

Garrett Wooten Audit Senior

Garrett has been with Crosslin since early fall of 2022 and he works out of our Lexington, Kentucky office. Before coming to Crosslin, he was a Sales and Marketing accountant for Tempur Sealy International. There he helped with the interactions with members of the Sales and Marketing teams, as well as the close processes to prepare the profit and loss statements. He also held positions at RJ Corman as a Project Cost Accountant and as a Financial Services Audit Intern at Crowe.

Garrett has been apart of various audits for a variety of companies during his time with us covering several industries, including educational institutions, governmental entities, manufacturing, not-for-profit organizations, and pension plans. He has been on the engagement teams for customers such as City of Crossville, City of Gatlinburg, Governor's Early Literacy Foundation, Athens Paper Company, Church World Service, Intrepid College Preparatory School, Metro Government of Nashville and Davidson County, Purposes Preparatory Academy, Senate Hotel Memphis, The Buntin Group, and United Methodist Publishing House.

Garrett attended the United States Air Force Academy before being Honorably Discharged, after this he attended the University of Kentucky. It was there where he received his Bachelor of Science in Accounting.



Education

Associates in Science
Bluegrass Community
and Technical College

Bachelor of Science
of Accounting
University of Kentucky



Qualifications of the Proposed Engagement Team (continued)

**Scott L. Romans
Lexington Office Managing Principal and Tax Principal**

Scott began his public accounting career nearly 14 years ago, primarily working with closely held businesses and owners on complex tax planning and compliance. Scott works with a variety of entities, including not-for-profit, construction, real estate, spirits production, professional services, healthcare (physician and dental owned practices), and transportation. Scott has also worked with businesses on a broad range of consulting services, including temporary controllership services, sales and purchases of businesses, new business setup, and business succession planning.

Prior to joining Crosslin, Scott served as a partner at a local Lexington firm where he served in a leadership role for both the tax team and the entire firm. He managed the firm's tax compliance services and worked with multi-state and complicated tax situations, assuring that the quality of service and product received was of the highest caliber.

Scott is a member of the American Institute of Certified Public Accountants, Kentucky Society of Certified Public Accountants, and the Association of Certified Fraud Examiners. In addition to being a CPA, Scott also has certifications in Business Valuation and Financial Forensics.

Scott serves on the Professional Ethics and Construction Committees of the Kentucky Society of Certified Public Accountants.



Education

Bachelor of Arts in Accounting;
Transylvania University

Licenses & Certifications

Certified Public Accountant

Certified Fraud Examiner

Accredited in Business
Valuation Certified in
Financial Forensics

Professional Associations

Member, American Institute
of Certified Public Accountants

Member, Kentucky Society
of Certified Public Accountants

Association of Certified Fraud
Examiners

Other Activities

2017 AICPA Forensic and
Valuation Services Standing
Ovation



Qualifications of the Proposed Engagement Team (continued)

Brian White
Information Risk Management Principal

Bryan began his technology career in the United States Navy where he designed, installed, maintained and operated state-of-the-art information systems. This included wide area networks, mini and micro computer systems, and associated peripheral devices. In addition, Bryan operated and maintained telecommunications systems including automated networks, data links and circuits; transmitting, receiving, operating, monitoring, controlling, and processing all forms of telecommunications through various media, including global networks.

In his current role as a Principal of Crosslin Technologies, Bryan is responsible for the sales and operations of our Managed Services Division, which includes managed IT services and managed communication services. Those services include managed cybersecurity, data backup, server, desktop and device management, preventative maintenance of essential servers and networks, phone solutions, carrier services, and email solutions. Bryan guides our customers in the identification, development, and implementation of strategic plans to design technology platforms that will support their business goals and objectives.



Education

University of Maryland, ECC,
Information Systems Management

Awards

President's Club

Navy and Marine Corps
Information Tech, Achievement
Medal

Letter of Commendation



Crosslin's Diversity Program Commitment

At Crosslin, we take our commitment to diversity very seriously.

We appreciate LFUCG's minority Business Enterprise Program as Crosslin's ensures the full participation of minority and women owned businesses across our government's engagements. In our governmental practice, we believe that we partner with more DBE, MBE, and WBE firms than any other accounting firm accounting in Middle Tennessee. Specifically, we partner or have partnered with DBE, MBE, and WBE firms in our work for the Metropolitan Nashville Airport Authority, the Metropolitan Government of Nashville and Davidson County, Nashville Metropolitan Transit Authority, Regional Transportation Authority, the City of Knoxville, and Metro Department of Water and Sewerage Overflow Abatement Program. Our DBE, MBE, and WBE participation exceeds the requirements in many of our engagements. We do not look at this as simply a requirement; rather it is an opportunity to have additional resources and team members crucial to the engagement. We have partnered with DBE, MBE, and WBE firms in various other engagements due to our relationships with these firms (rather than as a result of "requirements" or "goals"). Due to Crosslin's success in working with Nashville based DBE, MBE, and WBE firms, Crosslin is committed to developing the same level of commitment to Kentucky based DBE, MBE, and WBE firms. We are looking forward to adding PH as yet another WBE partner.

Our firm and our WBE partner will work as one team. Rather than simply "sub-contracting" part of the work to a WBE firm, we are truly one team. We do not carve-out sections of the engagement for the firm to work on independently of the audit. We do not believe that is within the spirit of the WBE program, and it is certainly not effective in our engagement plan. Instead, PH and Crosslin will be one team, working together in the field on all areas of the engagement. Crosslin is planning on 10% participation of our WBE partner.

In conducting our governmental engagements over the past several years, we routinely partner with several DBE, MBE, and WBE firms. Again, our partnership with these firms, we believe, exceeds those of our competitors and the applicable requirements. The participation of these contracts range from 10-35 percent of the engagements. We know of no instances in which we did not exceed the DBE, MBE, and WBE participation goals for our engagements.

PH will be responsible for submitting their time regularly so that it can be entered into Crosslin's time keeping system. This will allow for daily and weekly monitoring of progress.

Crosslin commits to prompt payment to the Firms for all work performed. The Firms are responsible for invoicing to Crosslin all time, and Crosslin commits to payment of the Firms invoices within fourteen (14) business days of receipt of payment from LFUCG.

The Firms will be responsible for performing various levels of work on the engagement.



Crosslin’s Diversity Program (continued)

We understand that the DBE, MBE, and WBE participation level established for this contract is 10%; however, we commit to a total participation percentage of 10% for this engagement.

The following is a list of at least three (3) projects in which Crosslin partnered with or subcontracted work to a DBE, MBE, and WBE firm:

The Metropolitan Nashville Government of Nashville and Davidson County (“Metro”) as of and for the year ended June 30, 2023. Crosslin partnered with two DBE, MBE, and WBE firms on this audit. The total Metro participation requirement was 20% and the total participation achieved was approximately 25%*.

The Metropolitan Transit Authority (“MTA”) as of and for the year ended June 30, 2023. Crosslin partnered with one and firm on this audit. The total MTA participation requirement was 3% and the total participation achieved was approximately 27%*.

The Regional Transportation Authority (“RTA”) as of and for the year ended June 30, 2023. Crosslin partnered with one firm on this audit. The total RTA participation requirement was 3% and the total achieved was approximately 21%*.

* Similar participation percentages have been achieved during our tenure on these engagements since inception.

“I want to compliment your organization and your staff members that participated in our most recent audit cycle. They were exceptional in their professionalism and their communication skills. Many of our Department Directors were effusive in complimenting the manner in which your employees conducted themselves... Your associates, while being thorough and diligent in their tasks, were friendly, unobtrusive and sensitive to the competing time-constraints on our Directors and their employees.”

Russell B. Truell
Assistant City Administrator, CFO
City of Franklin



Audit Approach

Through our deep experience in serving governments, we have developed and tailored a specific and comprehensive audit approach. Our approach is based on the structure of the PPC governmental audit approach which is used for the audits of governmental entities across the country. Our risk-based approach appropriately addresses the requirements of generally accepted auditing standards (including AICPA Risk Assessment Standards), as well as the standards applicable to financial audits contained in *Government Auditing Standards*, as issued by the Comptroller General of the United States and the compliance requirements described in OMB Uniform Guidance. The approach entails an analysis of business and audit risks that lead to a focused audit effort and has also been designed to address risk, and those matters which we believe will be of particular importance to management, the LFUCG as well as the citizens of LFUCG. As conditions change, we will continue to enhance our understanding of critical business and audit areas through comprehensive audit planning and risk assessment.

Throughout the audit process we gain knowledge which, combined with our experience and expertise, provides us with a unique insight into LFUCG's operations. It also provides us with opportunities for identifying improvements, not only with respect to accounting and information systems, but also regarding broader and often more significant areas such as organizational structure and financial planning. Our experience allows us to also be a resource for LFUCG and provide specific suggestions and industry advice. Our approach is designed not only to satisfy professional auditing standards, but also to add value and meet the needs of LFUCG.

We developed our audit approach based on technical resources and our experience auditing governmental entities over many years. The key element in performing a successful audit is to have knowledgeable professionals who know the industry, how to evaluate risk, and the business environment. In order to perform the audit timely and meet or precede your deadlines, we will work closely with your staff while planning the engagement.

We believe that the audit approach is appropriate, comprehensive and specifically tailored to LFUCG and its mission in the context of its strategic plan.

"The Crosslin staff consists of knowledgeable professionals who possess the ability to work with our organization in a team-oriented environment. The comfort level we have achieved since working with Crosslin is invaluable. We always have a "go-to" person which allows us the luxury of concentrating on other areas of our business. Crosslin always goes above and beyond any service we'd expect."

*Tammy Grissom, Ed.D
Executive Director
Tennessee School Boards
Association*



Audit Approach (continued)

There are five integral components to LFUCG's audit: the financial statement audit; the OMB Uniform Guidance Single Audit; the consideration of compliance with laws and regulations; the reporting and communication of the results of our audit and quality assurance, and the Annual Compilation of the Sheriff's Collection of Property Taxes.

FINANCIAL STATEMENT AUDIT

Financial Statement Audit Planning and Risk Assessment

Our audit planning emphasizes risk assessment in terms of financial statement assertions and the design of audit tests that are responsive to the identified risks. This process takes place in the following steps:

Understanding of the Operations of LFUCG

Our firm places significant emphasis on understanding our customer, its operations, and the impact on our audit. The key element of effective audit planning is our thorough understanding of all of LFUCG's operations. This includes operating environment, accounting, and internal accounting control structure, and financial position. Our years of experience with governments will help us quickly capture the relevant information to develop a detailed understanding of these elements. Therefore, we can effectively assess risk, identify the nature of significant account balances/transaction classes, and design efficient and effective audit tests and procedures.

Business Risks

The identification, evaluation, and management of business risks that may affect the operations of LFUCG and impact on its financial statements is essential to the fulfillment of its mission. We will identify and test the systems and processes that LFUCG has in place to manage these risks.

Financial Statement Assertions

Audit planning also must assess risk in relation to financial statement assertions. As your auditors, we will gather sufficient, appropriate audit evidence to provide a reasonable basis for expressing our opinions about these assertions embodied in your basic financial statements. The nature of audit evidence that we require (i.e., direct or indirect) depends upon the nature and importance of the assertion. We will gain an understanding of the attributes and internal controls over financial reporting and will test the significant controls and their effectiveness. Direct substantive tests will be performed for certain significant financial statement assertions (i.e., those assertions which, due to their nature, are likely to be important to users of the financial statements). The nature and design of those substantive tests will vary and depend on the results of process and control testing.



Audit Approach (continued)

FINANCIAL STATEMENT AUDIT (continued)

Audit Risk

Risk assessment is the essential element in the audit planning process. When a reliable risk profile is developed and appropriate risk-assessment decisions are made in the initial planning process, the amount of testing can be correlated with each audit area's relative risk. The result: a more focused, efficient, and effective audit.

Audit risk is a function of the risk that the financial statements prepared by management are materially misstated and the risk that the auditor will not detect such material misstatement. We consider risk in our internal controls assessment and testing and in selecting particular substantive tests to achieve our audit objectives. We are acutely interested in limiting overall audit risk to an acceptable level. The nature, timing, and extent of our auditing procedures will be correlated with our assessment of risk. The extent of our substantive audit tests will be directly related to our assessment of risk prior to performing such tests.

Our audit approach classifies the risk of error into two categories - high risk and normal risk - and identifies factors that affect assessment of the risk or error. These factors can be classified into two broad groups: overall risk factors and risk factors specific to account balances or classes of transactions, which include the related internal accounting controls, the nature of the transaction(s) and any errors found in the past.

During the planning stages of the engagement, we obtain and review the current year reports and relevant prior reports of LFUCG's internal auditors, if applicable. We consider the testing and results of their work as it relates to accounting and reporting function in enhancing our understanding of processes and controls, evaluating risk, and developing our audit plan.

Crosslin has assembled a dynamic team of professionals in our Information Technology ("IT") department. As part of our risk assessment, we will evaluate LFUCG's electronic data processing ("EDP") environment in accordance with *Government Auditing Standards* and AICPA guidelines. The objectives of these reviews are to (1) obtain an understanding of relevant systems controls to identify areas that could pose potential auditing risks, (2) determine whether sufficient controls are in place to protect the integrity and reliability of financial data, (3) determine the capability of the core financial management system in carrying out financial data processing, and (4) test the systems controls for the core financial management information systems.



Audit Approach (continued)

FINANCIAL STATEMENT AUDIT (continued)

Audit Risk (continued)

Response to Audit Risk

We will tailor our specific auditing procedures for LFUCG to correspond with the significance of the financial statement assertions and our assessed levels of risk. If processes and controls are determined through testing to be effective and operating properly, analytical review procedures may provide the required assurance regarding many financial statements assertions; however, tests of details are necessary for some assertions in order to limit audit risk to acceptable levels.

We plan to gain an understanding of, and test through sampling, internal controls for the following processes:

- Risk assessment
- Monthly and annual financial reporting
- Information technology and security
- Manual journal entries
- Investments
- Bank reconciliations
- Cash receipts
- Revenue recognition, especially with respect to property taxes, state shared taxes, and grants
- Cash disbursements, including payroll and budgeting
- Expenditure/expense recognition
- Capital assets

“Crosslin have performed our annual financial audits now for the past 5 years. Each year their staff has made the audit process more proficient while providing invaluable feedback and professional advice throughout the audit process. Their staff is very knowledgeable, flexible to our work schedules, and consistently provide outstanding customer service. I highly recommend Crosslin for any organization wishing to bring their audit experience to a heightened new service level.”

*Robert M. Lonis
Former Chief Financial Officer
Nashville General Hospital*



Audit Approach (continued)

FINANCIAL STATEMENT AUDIT (continued)

Response to Audit Risk (continued)

In addition, we will perform detailed testing including, but not limited to, inspecting original source documents, sending confirmations, etc., for certain significant accounts and transaction classes that extend across several opinion units, as follows:

- Cash, cash equivalents, and investments, including restricted accounts and related income, receivables, and collateral
- Inventories
- Due To/Due From Accounts
- Capital assets
- Property tax, sales tax, as well as state shared and accounts receivables
- Deferred outflow and inflow of resources
- Accounts payable, accrued liabilities, encumbrances outstanding, retainage payable, and other liabilities
- Classification of net position and fund balances under GASB 34 and 54, respectively
- Long-term liabilities including notes payable and long-term debt
- Tax revenues
- Grant revenues and contributions
- Proprietary fund revenues and expenses
- Other post employment and pension benefits (GASB 75 and GASB 68)
- Leases under GASB 87
- Impact of new GASB pronouncements or other regulations
- ACFR components and footnote disclosures

Initial sizes will vary from 1 - 40 items for the testing areas above depending on the type of substantive test. Samples of large populations will generally be 25 - 40 items. Assuming the results of our testing noted above support our preliminary risk assessments, we will augment testing with limited additional procedures consisting of analytical review and other procedures to satisfy ourselves that the risk of material misstatement and non-compliance is at an appropriately low level for us to render our opinion.

"Crosslin has made it their mission to know our organization and our industry. They help us keep up with the ever changing government and industry compliance demands. As a small independent nonprofit, having Crosslin as a partner and a resource is invaluable. They definitely go above and beyond: you have probably seen them answering phones during our pledge drives!"

*Kathy McElroy
Prior VP & CFO
Nashville Public Television*



Audit Approach (continued)

FINANCIAL STATEMENT AUDIT (continued)

Performing Work on Related Areas Together

Performing work on related audit areas together results in significant efficiencies. Identifying systems and processes where this can be done is, an important part of our audit planning. Having members of the engagement team performing all related work together reduces the time learning LFUCG's systems and gives us a more complete and cohesive understanding of LFUCG's transactions and processes.

Computer Assisted Audit Techniques

We apply computer-assisted audit techniques on most engagements and expect to do so on LFUCG's engagement. These techniques minimize manual-effort in the audit process for both the auditors and the customer. We have the capability to electronically transfer data from a customer's system, permitting us to perform audit procedures more effectively and efficiently. We use several software packages, most notably AdvanceFlow, Suralink*, LeaseCrunch**, IDEA, Thomson PPC CheckPoint, and related products.

*Our online portal/platform, Suralink, allows both our client and our teams to easily collaborate in real-time to make requests, transfer documents, track engagements, and assign tasks. The software was specifically designed for CPA firms and their clients. Some of the key features of Suralink include: Centralization of the PBC Listing, State of the Art Encryption, Dashboard, Timeline & Notifications, Specified Access for Users on the Team, Customization of the PBC Listing at Any Time, Increased Communication, Drag & Drop Files, and Any File Size & Type. If selected as your auditors, we will send you a tutorial video for Suralink and we will be happy to walk you through any or all aspects our online portal/platform.

**LeaseCrunch is our lease accounting solution that will enable you to eliminate lease accounting errors by being able to record and track all leases and related information while remaining GASB 87 compliant. Some of the key features of the LeaseCrunch accounting solution include: a single place to easily manage and account for any lease type, journal entries, reports, and disclosures all available with a click of a button, and a detailed audit trail for each lease with who did what and when.



Audit Approach (continued)

SINGLE AUDIT APPROACH - UNIFORM GUIDANCE

LFUCG's operations are partially funded through various federal award programs. When these federal awards exceed the single audit threshold of \$750,000, an important part of our audit approach will focus on the internal controls and compliance with the requirements of these programs.

The Office of Management and Budget ("OMB") Uniform Guidance requires the auditor to use a specific risk-based approach to determine which federal programs are major programs. Our risk-based approach includes consideration of current and prior audit experience and results, oversight by federal agencies, and pass-through agencies and the inherent risks of the federal programs. The risk-based approach is designed to focus the Single Audit on higher-risk programs (major programs).

Our firm specializes in Uniform Guidance audits. We invest significant time training and learning grant programs. We perform numerous Uniform Guidance audits on an annual basis, covering more than one-half billion dollars in federal awards. Additionally, through our experience with similar counties and cities, we have experience in auditing many of the programs that could impact LFUCG. We understand the purpose, complexities, and requirements of the programs.

Through our membership and participation in the AICPA's Governmental Audit Quality Center and our experience, we believe that we are uniquely qualified to analyze the requirements of the programs and to test them appropriately.

To smooth the effects of major program expenditures on our audit procedures, we establish for each customer a detailed plan that ensures testing of each Type A program at least once every three years. To the extent possible we avoid significant spikes in the quantity of major programs tested in a single year. We will perform preliminary assessments of risk for LFUCG's federal programs, based in part on historical testing and lack of findings as well as materiality, both qualitatively and quantitatively, and complexity.



Audit Approach (continued)

SINGLE AUDIT APPROACH (continued)

A summary of our audit procedures with respect to Single Audit compliance testing, when applicable, follows:

1. Planning

- Obtain a listing of all federal program expenditures and identify major programs for testing through application of the risk-based audit approach for federal programs
- Review contracts, agreements and the OMB Compliance Supplement to determine appropriate compliance requirements to test
- Arrange preliminary meeting with grant/program coordinators and various staff to discuss audit process and communicate our needs
- If necessary, discuss audit procedures and any special concerns with the respective federal awarding agencies
- Obtain an understanding of monitoring system for assistance programs

2. System Understanding and Documentation

- Rely to the extent possible on information and testing obtained in the planning for the financial statement audit
- Identify administrative controls to address program requirements
- Obtain an understanding of the financial program reporting system
- Evaluate and test the five COSO elements of controls for major programs. It is our approach to perform both internal control and program compliance tests utilizing the same sample of transactions (dual purpose testing).
- Detailed Testing and Quality Control
- Test a representative sample of transactions from major programs for propriety and compliance with laws, regulations, contracts, grants and specific program requirements
- Conduct compliance tests to verify administrative controls work effectively and as documented
- Review regulatory reporting
- Draft reports of findings, if any, and discuss with program coordinators and LFUCG management
- Perform two principal reviews of workpapers and reports
- Include appropriate reports on internal controls and compliance in the LFUCG's Single Audit reports and report to those charged with governance



Audit Approach (continued)

COMPLIANCE WITH LAWS AND REGULATIONS

An important element of an audit performed in accordance with *Government Auditing Standards* is consideration of the City's compliance with laws and regulations. Our audit approach will include the application of the following:

- Statement on Auditing Standards (AU-C Section 935): We will apply the guidance in AU-C Section 935, "Compliance Audits."
- Specific Audit Program - Laws and Regulations: We will complete our specific audit program designed to identify the laws and regulations with which LFUCG must comply, as well as test the compliance.
- Provisions and Regulations of Grant Agreements: We will test LFUCG's compliance with laws and regulations relating to grant programs in conjunction with our Uniform Guidance testing (when applicable).
- State Laws and Regulations: We will review and test certain laws and regulations.

REPORTING, COMMUNICATION, AND QUALITY ASSURANCE

Communication is an essential part of an effective audit. As your business partner, we want to interact with you as much as possible, not only during the audit, but throughout the year as well. During the course of the audit, we will meet regularly with appropriate financial management personnel to provide a status of the audit engagement. The status reports will address the progress of our procedures, any problems encountered, open items, and any other issues we believe need to be brought to the attention of management.

Our firm policies requires a principal and quality control review of audit workpapers and financial statements. In addition, detailed timely audit workpaper and quality control reviews are conducted at appropriate levels throughout the course of the audit. We believe that our approach to continuous communication and our quality assurance and reporting procedures will assure timely completion and performance in accordance with the requirements of LFUCG.



Audit Approach (continued)

REPORTING, COMMUNICATION, AND QUALITY ASSURANCE (continued)

A summary of the reporting, communication and quality assurance steps is as follows:

- Review, or assist in drafting, as appropriate, the basic financial statements, notes and supplemental schedules, and management letter, if applicable
- Final detail and quality control reviews
- Exit conference preparation and attendance
- Finalization of reports and letters
- Presentation of reports to the Council
- Review of the Data Collection Form and required reports for submission to the Federal Audit Clearinghouse
- Interface throughout the year to address questions and issues as they arise

As required by professional standards and governing agencies, we will communicate any significant deficiencies and material weaknesses found during the audit. Other control deficiencies will be reported in a separate letter to management which will also be communicated to the Audit Committee. Any indications of fraud will immediately be communicated in a written report to the appropriate levels of management, the Council, and, the cognizant agent for federal reporting.

Additionally, we will communicate with management and the Council as required by professional standards and as necessary to fulfill our requirements and assure they are informed of each of the following:

- The auditors responsibility under U.S. generally accepted auditing standards and *Government Auditing Standards* and OMB Uniform Administrative Requirements
- Managements responsibility for the financial statements and disclosures
- Significant accounting policies and financial statement disclosures, including implementation of new GASB pronouncements
- Management judgments and accounting estimates
- Consideration of the internal control structure
- Difficulties encountered in performing the audit, if any
- Corrected and uncorrected misstatements
- Disagreements with management, if any
- Management representations
- Management consultations with other independent accountants
- Major issues discussed with management prior to retention
- Other information in documents containing audited financial statements
- Any instances of fraud encountered during the audit, which will also be communicated to Linda Gorton, Mayor, Sally Hamilton, Chief Administrative Officer, Erin Hensley, Commissioner of Finance, and Susan Speckert, Commissioner of Law.



Audit Approach (continued)

ANNUAL COMPILATION OF SHERIFF’S COLLECTION OF PROPERTY TAXES

Crosslin will compile the financial statements and issue an accountant’s report in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accounts. During the performance of the compilation procedures, any evidence or information of material errors or information determined to represent that fraudulent or illegal acts may have occurred shall be provided to LFUCG.

HOURS BY LEVEL FOR THE AUDIT OF LFUCG AND THE ANNUAL COMPILATION OF SHERIFF’S COLLECTION OF PROPERTY TAXES

Description	Hours by Level for LFUCG				Total
	Staff	Senior	Super/Mgr	Principals	
Planning, TOCs, JEs, Confirms, TB	70.00	45.00	30.00	15.00	160.00
TB/Financial Statements	10.00	45.00	70.00	10.00	135.00
Concluding	3.00	12.00	5.00	5.00	25.00
Client Meetings	3.00	10.00	7.00	5.00	25.00
Miscellaneous	4.00	4.00	2.00	-	10.00
Cash	15.00	-	-	-	15.00
Investments	10.00	15.00	5.00	-	30.00
Accounts Receivable	15.00	5.00	5.00	-	25.00
Inventory	10.00	-	-	-	10.00
Prepaid Expenses & Other Assets	5.00	-	-	-	5.00
PP&E	25.00	15.00	5.00	-	45.00
Debt	20.00	5.00	-	-	25.00
Accounts Payable	15.00	-	-	-	15.00
Pension & OPEB	15.00	10.00	-	-	25.00
Accrued Liabilities	15.00	-	-	-	15.00
Deferred Revenue	10.00	-	-	-	10.00
Equity	-	10.00	5.00	-	15.00
Sales/Revenue Analysis	12.00	8.00	-	-	20.00
Expenses/Expenditure Analysis	10.00	-	-	-	10.00
Other Rev/Exp Analysis	10.00	-	-	-	10.00
Proof & Clerical	20.00	-	-	-	20.00
Law and Regulations	10.00	-	-	-	10.00
Single Audit Procedures	70.00	65.00	35.00	10.00	180.00
Review 1st Principal	-	-	-	45.00	45.00
Review 2nd Principal	-	-	-	15.00	15.00
Review Details	-	25.00	60.00	15.00	100.00
	377.00	274.00	229.00	120.00	1,000.00



Audit Approach (continued)

Hours by Level for Annual Compilation of Sheriff's Collection of Property Taxes					
Description	Staff	Senior	Super/Mgr	Principals	Total
Planning, TOCs, JEs, Confirms, TB	4.00	3.00	2.00	1.00	10.00
TB/Financial Statements	4.00	8.00	3.00	-	15.00
Concluding	2.00	3.00	-	-	5.00
Client Meetings	1.00	1.00	1.00	-	3.00
Miscellaneous	1.00	1.00	-	-	2.00
Prop Tax Procedures	20.00	10.00	5.00	-	35.00
Review 1st Principal	-	-	-	8.00	8.00
Review 2nd Principal	-	-	-	2.00	2.00
Review Details	-	-	10.00	-	10.00
	32.00	26.00	21.00	11.00	90.00

Identification of Anticipated Potential Audit Problems

The government and standard-setting bodies are issuing guidance at an unprecedented pace. Crosslin is constantly receiving, reviewing, and searching for the latest authoritative literature, in part through its involvement with the AICPA's Government Audit Quality Center and the Government Finance Officers Association ("GFOA"), including GFOA's Special Review Committee. We routinely interface with our customers to ensure proper understanding and application of pronouncements, standards, interpretations, and addenda that arise. In addition, we expect to join LFUCG's personnel in relevant discussions to implement all new standards as they arise.

As part of our communication with management and the Council, we will communicate upcoming accounting pronouncements for your review. The following is a list of items that, to the extent material, will be items to consider during upcoming audits:

- **GASB Statement No. 100, Accounting Changes and Error Corrections**, required for fiscal periods beginning after June 15, 2023, in fiscal 2024. This Statement provides guidance on the accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.
- **GASB Statement No. 101, Compensated Absences**, required for fiscal periods beginning after December 15, 2023, in fiscal 2025. This Statement provides guidance on the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences.
- **GASB Statement No. 102, Certain Risk Disclosures** Effective Date: The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.



Timing

Timeline

We are fully committed and able to perform the audits within your timeline. Additionally, all audit activities will be performed in accordance with the deadlines prescribed by federal and state requirements. The following chart illustrates the timing of our audit activities for LFUCG for the year ending June 30, 2024. A similar schedule will be developed for the subsequent years' audits.

AUDIT TIMELINE		Upon Selection	June	July	August	September	October	November
Planning and Interim Procedures	Entrance conference with Financial Management and communicate audit plan with the Audit Committee	█						
	Financial Audit Planning and Internal Control Documentation		█					
	Conduct Internal Control and Process Testwork		█					
	Single Audit OMB Planning and Testwork		█					
Year-End Fieldwork	Update Planning from Results of Testwork				█			
	Year-End Audit Fieldwork Including Substantive Procedures				█	█	█	
	Update Management throughout the Audit regarding progress and any adjustments and findings	█	█	█	█	█	█	
Reporting	Provide drafts of any findings, related recommendations, and Management Letter						█	
	Review preliminary Draft Financial Statements and Notes (ACFR)						█	
	Issue final Financial Statements (ACFR)							█
Communication	Communicate to the Audit Committee the results of the audit, Management Letter, and other matters							█
Other	Complete Review of the Data Collection Form to be submitted to the Federal Audit Clearinghouse							█

We confirm that we will deliver complete reports as described in the RFP by November 15, 2024 and each subsequent year thereafter.



Timing (continued)

Timeline

We are sensitive to the mandate with which LFUCG must comply regarding the issuance of the ACFR and other required financial statements and reports. Therefore, we commit to this schedule for completion of each segment of the audit within the timeline presented below:

Planning and Interim Procedures – June (Principals, Managers, Supervisor, Seniors, Staff - 250 hours)

- Entrance conferences with the management of each audit segment, LFUCG's financial management and the Council to discuss audit planning, timeline and performance schedule, accounting and reporting issues
- Review predecessor auditors' workpapers and prior year reports. Consider current year changes needed due to recent technical pronouncements and management's desires
- Perform analytical review procedures related to interim financial information
- Identify and document significant business and accounting processes, accounting cycles and applications and the related internal controls over these areas
- Follow up on the status of implementation of prior year's recommendations contained in the management letter
- Meet with key members of your information technology and business applications management to identify and review general and application controls
- Craft the audit management plan and detailed audit plan including development of specific audit programs
- Obtain and review permanent file information, Council and committee minutes and prepare lists of audit schedules to be prepared by LFUCG personnel
- Prepare confirmations and correspondence and conduct fraud inquiry meetings
- Determine major federal programs, document and conduct internal control and compliance testing for Uniform Guidance procedures
- Conduct test work on internal controls over the accounting processes, cycles and applications



Timing (continued)

Timeline

Progress Conferences – To be held throughout the audit process, no less than weekly

Year-End Fieldwork – August through October (Principals, Managers, Supervisors, Seniors, Staff - 610 hours)

- Conduct substantive procedures based on results of our internal control testing and in accordance with our audit plan
- Obtain and apply planned procedures to actuarial valuations for pension and OPEB plans

Reporting – October (Principals, Managers, Supervisors, Seniors, Staff - 150 hours)

- Provide drafts of any findings, related recommendations and management letter
- Review or provide preliminary draft financial statements and work with management to finalize ACFR
- Issue separate financial statements with opinion date no later than November 15.

Communication – November (Principals, Managers, Supervisors - 40 hours)

- Communicate to the Audit Committee/and Board of Commissioners the results of the audit, management letter and other matters

Other – November (Principal, Manager, Supervisor, Senior - 40 hours)

- Complete review of Data Collection Form



Assistance of LFUCG Staff and Availability of the Auditor

Assistance of LFUCG Staff

We understand that information in support of the audit will be prepared and available for our audit teams upon our arrival for fieldwork. We value the importance of the LFUCG Finance team and their time. We assure you that we will make maximum utilization of the resources and information that is available in planning the timing and extent of our audit procedures.

It is our understanding that LFUCG will be available for our on-site fieldwork as well as respond to any necessary follow-up questions through the audit report date. Additionally, we ask that LFUCG prepare standard schedules for the audit. We will provide a "prepared by client" listing to you. Through our planning procedures, we will know your account analyses and schedules well, and we will do our very best to ensure that you are not wasting any time in the preparations of these schedules.

Availability of the Auditor

Crosslin believes that continuous and candid communication is the key to a successful service engagement. We will meet with your financial leadership frequently beginning with our engagement planning immediately upon our appointment. While audit fieldwork is in process at interim and at final, we suggest status meetings no less frequently than every week to inform you of our audit progress. We will make management aware of any situations immediately. We are part of the solution, not the issue.

Our mutual goal should be to avoid problems and surprises to the extent possible. The best way to accomplish this is to develop a free flow of communication in both directions. As we have proven throughout our tenure with our current governmental clients, we are available to meet with you whenever a need may arise. We encourage the staff to contact us with issues and/or questions as soon as they come up so that we can address them immediately, which will help avoid problems and situations and keep the audit process moving towards completion.

Crosslin confirms that if engagement partners, managers, other supervisory staff, and specialists are changed or if those personnel leave the firm, are promoted, are assigned to another office, or are changed for any reason, Crosslin will ensure that the replacement has substantially the same or better qualifications or experience. We understand that LFUCG retains the right to approve or reject replacements.

"Since 2004, the Crosslin team has performed our annual financial audits. I commend them for their excellent service and professionalism. Team members have a broad knowledge of accounting principles and operations for academic institutions. We find them extremely helpful and are very pleased with the quality of their work."

LaMel Bandy-Neal
Senior V.P. of Finance/CFO
Meharry Medical College



Engagement Fees

See the Cost Proposal.



Customer References

One of the best ways to evaluate the quality and responsiveness of our service is to speak with our customers. Following are a few customers whom we encourage you to contact.

Ms. Jennifer Pedginski

Assistant Finance Director
Metropolitan Government of Nashville
and Davidson County
700 2nd Avenue South, Suite 310
Nashville, Tennessee 37210
615.880.1702
jennifer.pedginski@nashville.gov

Ms. Kristine Brock

ACA Finance & Administration/CFO
City of Franklin
109 3rd Avenue South
Franklin, Tennessee 37064
615.690.6691
kristine.brock@franklintn.gov

Mr. Edward W. Oliphant

Chief Financial Officer
Metropolitan Transit Authority (WeGo Public Transit)
130 Nestor Street
Nashville, Tennessee 37210
615.862.6129
ed.oliphant@nashville.gov

Mr. Robert Holt

Director of Finance
City of Gatlinburg, Tennessee
1230 East Parkway
Gatlinburg, TN 37738
865.436.1403
RobertH@gatlinburgtn.gov

Ms. Laurie Matta

Chief Financial Officer
City of Clarksville, Tennessee
One Public Square, Suite 300
Clarksville, Tennessee 37040
931.645.7437
laurie.matta@cityofclarksville.com

Ms. Heidi Runion

Director of Finance and Administration
Convention Center Authority of Metropolitan
Nashville
201 Fifth Avenue South
Nashville, Tennessee 37203
615.401.1430
heidi.runion@nashvillemcc.com

Appendix A

Certificate of Insurance



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

03/19/2024

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Lockton Affinity, LLC P. O. Box 879610 Kansas City, MO 64187-9610	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2">CONTACT NAME: Lockton Affinity, LLC</td> </tr> <tr> <td>PHONE (A/C, No, Ext): 800-301-8814</td> <td>FAX (A/C, No): 913-652-7599</td> </tr> <tr> <td colspan="2">E-MAIL ADDRESS:</td> </tr> <tr> <td colspan="2" style="text-align: center;">INSURER(S) AFFORDING COVERAGE</td> </tr> <tr> <td>INSURER A: Sentinel Insurance Company, Ltd.</td> <td style="text-align: right;">NAIC # 11000</td> </tr> <tr> <td>INSURER B: Hartford Insurance Company of Illinois</td> <td style="text-align: right;">38288</td> </tr> <tr> <td>INSURER C: Twin City Fire Insurance Company</td> <td style="text-align: right;">29459</td> </tr> <tr> <td>INSURER D:</td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> </tr> </table>	CONTACT NAME: Lockton Affinity, LLC		PHONE (A/C, No, Ext): 800-301-8814	FAX (A/C, No): 913-652-7599	E-MAIL ADDRESS:		INSURER(S) AFFORDING COVERAGE		INSURER A: Sentinel Insurance Company, Ltd.	NAIC # 11000	INSURER B: Hartford Insurance Company of Illinois	38288	INSURER C: Twin City Fire Insurance Company	29459	INSURER D:		INSURER E:		INSURER F:	
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INSURER E:																					
INSURER F:																					
INSURED Crosslin, PLLC 3803 Bedford Ave Suite 201 Nashville TN 37215																					

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS														
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C	Crime Liability Claims Made Policy			37KB0270109-23	06/08/2023	06/08/2024	<table style="width: 100%; border-collapse: collapse;"> <tr><td>Each Claim</td><td style="text-align: right;">\$1,000,000</td></tr> <tr><td>Aggregate</td><td style="text-align: right;">\$10,000</td></tr> </table>	Each Claim	\$1,000,000	Aggregate	\$10,000										
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DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
 Additional Insured, Waiver of Subrogation, and 30 day notice of cancellation available upon endorsement a with required contract.

Location 101 Address: 3803 Bedford Ave Ste 103, Nashville, TN 37215
 Location 201 Address: 38 West Arch Street, Madisonville, KY 42431
 Location 301 Address: 318 East Main Street Floor 2, Lexington, KY 40507

CERTIFICATE HOLDER Proof of Coverage <div style="text-align: right;">2732728</div>	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

3/21/2024

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must have **ADDITIONAL INSURED** provisions or be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Montgomery & Associates 1730 General George Patton Dr., Suite 208 Brentwood TN 37027 License#: 5394 CROSPLL-01	CONTACT NAME: Dale Payne PHONE (A/C, No, Ext): 615-829-8457 E-MAIL ADDRESS: dpayne@montgomeryfsb.com FAX (A/C, No): 615-831-3322													
	<table border="1"> <thead> <tr> <th>INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> </thead> <tbody> <tr> <td>INSURER A : Navigators Speciality Ins Co</td> <td></td> </tr> <tr> <td>INSURER B : Beazley Insurance Company Incorporated</td> <td>37540</td> </tr> <tr> <td>INSURER C :</td> <td></td> </tr> <tr> <td>INSURER D :</td> <td></td> </tr> <tr> <td>INSURER E :</td> <td></td> </tr> <tr> <td>INSURER F :</td> <td></td> </tr> </tbody> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A : Navigators Speciality Ins Co		INSURER B : Beazley Insurance Company Incorporated	37540	INSURER C :		INSURER D :		INSURER E :		INSURER F :
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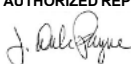
COVERAGES**CERTIFICATE NUMBER:** 1395484644**REVISION NUMBER:**

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	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	UMBRELLA LIAB EXCESS LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE DED \$ RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
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A B	Professional Liability Media, Tech, Data-Cyber Liability			CE23APLZ030QTIV WG00005816AC	9/22/2023 9/8/2023	9/22/2024 9/8/2024	Professional Liab Network Liability 5,000,000 2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER**CANCELLATION**

Crosslin Certified Public Accountants 3808 Bedford Ave Suite 103 Nashville TN 37215	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
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Appendix B

Required Forms



Lexington-Fayette Urban County Government

Request for Proposals

The Lexington-Fayette Urban County Government hereby requests proposals for **RFP #14-2024 Audit of Financial Statements** to be provided in accordance with terms, conditions and specifications established herein.

Sealed proposals will be received through Ion Wave until **2:00 PM**, prevailing local time, on **March 26, 2024**. All forms and information requested in RFP must be included and attached in Response Attachments tab in Ion Wave.

Proposals received after the date and time set for opening proposals will not be accepted. It is the sole responsibility of the Proposer to assure that his/her proposal is submitted in Ion Wave before the date and time set for opening proposals.

Proposals, once submitted, may not be withdrawn for a period of ninety (90) calendar days.

The Lexington-Fayette Urban County Government reserves the right to reject any or all proposals, and to waive technicalities and informalities when such waiver is determined by the Lexington-Fayette Urban County Government to be in its best interest.

Signature of this proposal by the Proposer constitutes acceptance by the Proposer of terms, conditions and requirements set forth herein.

Minor exceptions may not eliminate the proposal. Any exceptions to the specifications established herein shall be listed in detail on a separate sheet and attached hereto. The Lexington-Fayette Urban County Government shall determine whether any exception is minor.

The Lexington-Fayette Urban County Government encourages the participation of minority- and women-owned businesses in Lexington-Fayette Urban County Government contracts. This proposal is subject to Affirmative Action requirements attached hereto.

Please do not contact any LFUCG staff member or any other person involved in the selection process other than the designated contact person(s) regarding the project contemplated under this RFP while this RFP is open and a selection has not been finalized. Any attempt to do so may result in disqualification of the firm's submittal for consideration.

Laws and Regulations

All applicable state laws, municipal ordinances and regulations of all authorities having jurisdiction over the project shall apply to the contract, and shall be deemed to be incorporated herein by reference.

Equal Employment Opportunity

The Entity (regardless of whether construction contractor, non-construction contractor or supplier) agrees to provide equal opportunity in employment for all qualified persons, to prohibit discrimination in employment because of race, color, religion, sex (including pregnancy, sexual orientation or gender identity), national origin, disability, age, genetic information, political affiliation, or veteran status, and to promote equal employment through a positive, continuing program from itself and each of its sub-contracting agents. This program of equal employment opportunity shall apply to every aspect of its employment policies and practices.

Kentucky Equal Employment Opportunity Act

The Kentucky Equal Employment Opportunity Act of 1978 (KRS 45.560-45.640) requires that any "county, city, town, school district, water district, hospital district, or other political subdivision of the state shall include in directly or indirectly publicly funded contracts for supplies, materials, services, or equipment hereinafter entered into the following provisions:

"During the performance of this contract, the contractor agrees as follows:

- (1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, or national origin;
- (2) The contractor will state in all solicitations or advertisements for employees placed by or on behalf of the contractors that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, age, or national origin;
- (3) The contractor will post notices in conspicuous places, available to employees and applicants for employment, setting forth the provision of the nondiscrimination clauses required by this section; and
- (4) The contractor will send a notice to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding advising the labor union or workers' representative of the contractor's commitments under the nondiscrimination clauses."

The Act further provides:

"KRS 45.610. Hiring minorities -- Information required

- (1) For the length of the contract, each contractor shall hire minorities from other sources within the drawing area, should the union with which he has collective bargaining agreements be unwilling to supply sufficient minorities to satisfy the agreed upon goals and timetables.
- (2) Each contractor shall, for the length of the contract, furnish such information as required by KRS 45.560 to KRS 45.640 and by such rules, regulations and orders issued pursuant thereto and will permit access to all books and records pertaining to

his employment practices and work sites by the contracting agency and the department for purposes of investigation to ascertain compliance with KRS 45.560 to 45.640 and such rules, regulations and orders issued pursuant thereto.

KRS 45.620. Action against contractor -- Hiring of minority contractor or subcontractor

(1) If any contractor is found by the department to have engaged in an unlawful practice under this chapter during the course of performing under a contract or subcontract covered under KRS 45.560 to 45.640, the department shall so certify to the contracting agency and such certification shall be binding upon the contracting agency unless it is reversed in the course of judicial review.

(2) If the contractor is found to have committed an unlawful practice under KRS 45.560 to 45.640, the contracting agency may cancel or terminate the contract, conditioned upon a program for future compliance approved by the contracting agency and the department. The contracting agency may declare such a contractor ineligible to bid on further contracts with that agency until such time as the contractor complies in full with the requirements of KRS 45.560 to 45.640.

(3) The equal employment provisions of KRS 45.560 to 45.640 may be met in part by a contractor by subcontracting to a minority contractor or subcontractor. For the provisions of KRS 45.560 to 45.640, a minority contractor or subcontractor shall mean a business that is owned and controlled by one or more persons disadvantaged by racial or ethnic circumstances.

KRS 45.630 Termination of existing employee not required, when

Any provision of KRS 45.560 to 45.640 notwithstanding, no contractor shall be required to terminate an existing employee upon proof that employee was employed prior to the date of the contract.

KRS 45.640 Minimum skills

Nothing in KRS 45.560 to 45.640 shall require a contractor to hire anyone who fails to demonstrate the minimum skills required to perform a particular job."

It is recommended that all of the provisions above quoted be included as special conditions in each contract. In the case of a contract exceeding \$250,000, the contractor is required to furnish evidence that his workforce in Kentucky is representative of the available work-force in the area from which he draws employees, or to supply an Affirmative Action plan which will achieve such representation during the life of the contract.

LFUCG Non-Appropriation Clause

Contractor acknowledges that the LFUCG is a governmental entity, and the contract validity is based upon the availability of public funding under the authority of its statutory mandate.

In the event that public funds are unavailable and not appropriated for the performance of the LFUCG's obligations under this contract, then this contract shall automatically expire without penalty to the LFUCG thirty (30) days after written notice to Contractor of the unavailability and non-appropriation of public funds. It is expressly agreed that the LFUCG shall not activate this non-appropriation provision for its convenience or to circumvent the requirements of this contract, but only as an emergency fiscal measure during a substantial fiscal crisis, which affects generally its governmental operations.

In the event of a change in the LFUCG's statutory authority, mandate and mandated functions, by state and federal legislative or regulatory action, which adversely affects the LFUCG's authority to continue its obligations under this contract, then this contract shall automatically terminate without penalty to the LFUCG upon written notice to Contractor of such limitation or change in the LFUCG's legal authority.

Contention Process

Vendors who respond to this invitation have the right to file a notice of contention associated with the RFP process or to file a notice of appeal of the recommendation made by the Director of Procurement resulting from this invitation.

Notice of contention with the RFP process must be filed within 3 business days of the bid/proposal opening by (1) sending a written notice, including sufficient documentation to support contention, to the Director of the Division of Procurement or (2) submitting a written request for a meeting with the Director of Procurement to explain his/her contention with the RFP process. After consulting with the Commissioner of Finance the Chief Administrative Officer and reviewing the documentation and/or hearing the vendor, the Director of Procurement shall promptly respond in writing findings as to the compliance with RFP processes. If, based on this review, a RFP process irregularity is deemed to have occurred the Director of Procurement will consult with the Commissioner of Finance, the Chief Administrative Officer and the Department of Law as to the appropriate remedy.

Notice of appeal of a RFP recommendation must be filed within 3 business days of the RFP recommendation by (1) sending a written notice, including sufficient documentation to support appeal, to the Director, Division of Procurement or (2) submitting a written request for a meeting with the Director of Procurement to explain his appeal. After reviewing the documentation and/or hearing the vendor and consulting with the Commissioner of Finance and the Chief Administrative Officer, the Director of Procurement shall in writing, affirm or withdraw the recommendation.

AMERICAN RESCUE PLAN ACT

AMENDMENT 1 — CERTIFICATION OF COMPLIANCE FOR EXPENDITURES USING FEDERAL FUNDS, INCLUDING THE AMERICAN RESCUE PLAN ACT

The Lexington-Fayette Urban County Government (“LFUCG”) may use Federal funding to pay for the goods and/or services that are the subject matter of this bid. That Federal funding may include funds received by LFUCG under the American Rescue Plan Act of 2021. Expenditures using Federal funds require evidence of the contractor’s compliance with Federal law. Therefore, by the signature below of an authorized company representative, you certify that the information below is understood, agreed, and correct. Any misrepresentations may result in the termination of the contract and/or prosecution under applicable Federal and State laws concerning false statements and false claims.

The bidder (hereafter “bidder,” or “contractor”) agrees and understands that in addition to all conditions stated within the attached bid documents, the following conditions will also apply to any Agreement entered between bidder and LFUCG, if LFUCG uses Federal funds, including but not limited to funding received by LFUCG under the American Rescue Plan Act (“ARPA”), toward payment of goods and/or services referenced in this bid. The bidder also agrees and understands that if there is a conflict between the terms included elsewhere in this Request for Proposal and the terms of this Amendment 1, then the terms of Amendment 1 shall control. The bidder further certifies that it can and will comply with these conditions, if this bid is accepted and an Agreement is executed:

1. Any Agreement executed as a result of acceptance of this bid may be governed in accordance with 2 CFR Part 200 and all other applicable Federal law and regulations and guidance issued by the U.S. Department of the Treasury.
2. Pursuant to 24 CFR § 85.43, any Agreement executed as a result of acceptance of this bid can be terminated if the contractor fails to comply with any term of the award. This Agreement may be terminated for convenience in accordance with 24 CFR § 85.44 upon written notice by LFUCG. Either party may terminate this Agreement with thirty (30) days written notice to the other party, in which case the Agreement shall terminate on the thirtieth day. In the event of termination, the contractor shall be entitled to that portion of total compensation due under this Agreement as the services rendered bears to the services required. However, if LFUCG suspects a breach of the terms of the Agreement and/or that the contractor is violating the terms of any applicable law governing the use of Federal funds, LFUCG may suspend the contractor’s ability to receive payment by giving thirty (30) days’ advance written notice. Further, either party may terminate this Agreement for cause shown with thirty (30) days written notice, which shall explain the party’s cause for the termination. If the parties do not reach a settlement before the end of the 30 days, then the Agreement shall terminate on the thirtieth day. In the event of a breach, LFUCG reserves the right to pursue any and all applicable legal, equitable, and/or administrative remedies against the contractor.
3. The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following:
 - (1) Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and

applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

- (2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.
- (3) The contractor will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the contractor's legal duty to furnish information.
- (4) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding a notice to be provided advising the said labor union or workers' representatives of the contractor's commitments under this section and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- (5) The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- (6) The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- (7) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part, and the contractor may be declared ineligible for further government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- (8) The contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance.

Provided, however, that in the event a contractor becomes involved in or is threatened with litigation with a subcontractor or vendor as a result of such direction by the administering agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

4. If fulfillment of the contract requires the contractor to employ mechanic's or laborers, the contractor further agrees that it can and will comply with the following:

- (1) *Overtime requirements: No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such a workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such a workweek.*

- (2) *Violation: liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (1) of this section, the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory) for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (1) of this section, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (1) of this section.*
- (3) *Withholding for unpaid wages and liquidated damages. LFUCG shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (2) of this section.*
- (4) *Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower-tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower-tier subcontractor with the clauses set forth in paragraphs (1) through (4) of this section.*

5. The contractor shall comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq.

6. The contractor shall report each violation to LFUCG and understands and agrees that LFUCG will, in turn, report each violation as required to assure notification to the Treasury Department and the appropriate Environmental Protection Agency Regional Office.

7. The contractor shall include these requirements in numerical paragraphs 5 and 6 in each subcontract exceeding \$100,000 financed in whole or in part with Federal funding.

8. The contractor shall comply with all applicable standards, orders, or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. § 1251 et seq.

9. The contractor shall report each violation to LFUCG and understands and agrees that LFUCG will, in turn, report each violation as required to assure notification to the Treasury Department and the appropriate Environmental Protection Agency Regional Office.

10. The contractor shall include these requirements in numerical paragraphs 8 and 9 in each subcontract exceeding \$100,000 financed in whole or in part with Federal funds.

11. The contractor shall comply with all applicable standards, orders, or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. § 1251 et seq.

12. The contractor shall report each violation to LFUCG and understands and agrees that LFUCG will, in turn, report each violation as required to assure notification to the Treasury Department and the appropriate Environmental Protection Agency regional office.

13. The contractor shall include these requirements in numerical paragraphs 11 and 12 in each subcontract exceeding \$100,000 financed in whole or in part with American Rescue Plan Act funds.

14. The contractor shall include this language in any subcontract it executes to fulfill the terms of this bid: “the sub-grantee, contractor, subcontractor, successor, transferee, and assignee shall comply with Title VI of the Civil Rights Act of 1964, which prohibits recipients of federal financial assistance from excluding from a program or activity, denying benefits of, or otherwise discriminating against a person on the basis of race, color, or national origin (42 U.S.C. § 2000d et seq.), as implemented by the Department of the Treasury’s Title VI regulations, 31 CFR Part 22, which are herein incorporated by reference and made a part of this contract (or agreement). Title VI also includes protection to persons with ‘Limited English Proficiency’ in any program or activity receiving federal financial assistance, 42 U.S.C. § 2000d et seq., as implemented by the Department of the Treasury’s Title VI regulations, 31 CFR Part 22, and herein incorporated by reference and made a part of this contract or agreement.”

15. *Contractors who apply or bid for an award of \$100,000 or more shall file the required certification that it will not and has not used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency. Each tier certifies to the tier above that it will not and has not used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Each tier shall also disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier, up to the recipient. The required certification is included here:*

- a. The undersigned certifies, to the best of his or her knowledge and belief, that:
 - (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
 - (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, “Disclosure Form to Report Lobbying,” in accordance with its instructions.
 - (3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.
- b. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

16. The contractor acknowledges and certifies that it has not been debarred or suspended and further acknowledges and agrees that it must comply with regulations regarding debarred or suspended entities in accordance with 24 CFR § 570.489(1). Funds may not be provided to excluded or disqualified persons.

17. The contractor agrees and certifies that to the greatest extent practicable, it will prefer the purchase, acquisition, and use of all applicable goods, products or materials produced in the United States, in

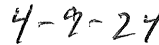
conformity with 2 CFR 200.322 and/or section 70914 of Public Law No. 117-58, §§ 70901-52, also known as the Infrastructure Investment and Jobs Act, whichever is applicable.

18. The contractor agrees and certifies that all activities performed pursuant to any Agreement entered as a result of the contractor's bid, and all goods and services procured under that Agreement, shall comply with 2 C.F.R. § 200.216 (Prohibition on certain telecommunications and video surveillance services and equipment) and 2 C.F.R. 200 § 200..323 (Procurement of recovered materials), to the extent either section is applicable.

19. If this bid involves construction work for a project totaling \$10 million or more, then the contractor further agrees that all laborers and mechanics, etc., employed in the construction of the public facility project assisted with funds provided under this Agreement, whether employed by contractor, or contractor's contractors, or subcontractors, shall be paid wages complying with the Davis-Bacon Act (40 U.S.C. 3141-3144). Contractor agrees that all of contractor's contractors and subcontractors will pay laborers and mechanics the prevailing wage as determined by the Secretary of Labor and that said laborers and mechanics will be paid not less than once a week. The contractor agrees to comply with the Copeland Anti- Kick Back Act (18 U.S.C. § 874) and its implementing regulations of the U.S. Department of Labor at 29 CFR part 3 and part 5. The contractor further agrees to comply with the applicable provisions of the Contract Work Hours and Safety Standards Act (40 U.S.C. Section 327-333), and the applicable provisions of the Fair Labor Standards Act of 1938, as amended (29 U.S.C. et seq.). Contractor further agrees that it will report all suspected or reported violations of any of the laws identified in this paragraph to LFUCG.



Signature



Date

SELECTION CRITERIA:

Selection Criteria.

Specialized experienced and technical competence of the person or firm (including a joint venture or association) with the type of service required.(Includes Mandatory Elements & Technical Quality(2.b) items listed in RFP Section VII)	25
Capacity of the person or firm to perform the work, including any specialized services, within the time limitations	25
Past record and performance on contracts with the LFUCG or other governmental agencies and private industry with respect to such factors as control of cost, quality of work and ability to meet scheduling.(Includes Technical Quality(2.a & 2.c) items listed in RFP Section VII)	10
Familiarity with the details of the project	20
Degree of local employment to be provided by the person or firm	5
Estimated cost of services	15

Proposals shall contain the appropriate information necessary to evaluate based on these criteria. A committee composed of government employees as well as representatives of relevant user groups will evaluate the proposals.

Questions shall be submitted via IonWave at: <https://lexingtonky.ionwave.net>

Affirmative Action Plan

All vendors must submit as a part of the proposal package the following items to the Urban County Government:

1. Affirmative Action Plan for his/her firm;
2. Current Work Force Analysis Form;

Failure to submit these items as required may result in disqualification of the submitter from award of the contract.

AFFIDAVIT

Comes the Affiant, John H. Crosslin, Co-Managing Principal, and after being first duly sworn, states under penalty of perjury as follows:

1. His/her name is John H. Crosslin and he/she is the individual submitting the proposal or is the authorized representative of Crosslin, PLLC, the entity submitting the proposal (hereinafter referred to as "Proposer").

2. Proposer will pay all taxes and fees, which are owed to the Lexington-Fayette Urban County Government at the time the proposal is submitted, prior to award of the contract and will maintain a "current" status in regard to those taxes and fees during the life of the contract.

3. Proposer will obtain a Lexington-Fayette Urban County Government business license, if applicable, prior to award of the contract.

4. Proposer has authorized the Division of Procurement to verify the above-mentioned information with the Division of Revenue and to disclose to the Urban County Council that taxes and/or fees are delinquent or that a business license has not been obtained.

5. Proposer has not knowingly violated any provision of the campaign finance laws of the Commonwealth of Kentucky within the past five (5) years and the award of a contract to the Proposer will not violate any provision of the campaign finance laws of the Commonwealth.

6. Proposer has not knowingly violated any provision of Chapter 25 of the Lexington-Fayette Urban County Government Code of Ordinances, known as "Ethics Act."

Continued on next page

7. Proposer acknowledges that "knowingly" for purposes of this Affidavit means, with respect to conduct or to circumstances described by a statute or ordinance defining an offense, that a person is aware or should have been aware that his conduct is of that nature or that the circumstance exists.

Further, Affiant sayeth naught.

John H. Crosslin

STATE OF Tennessee

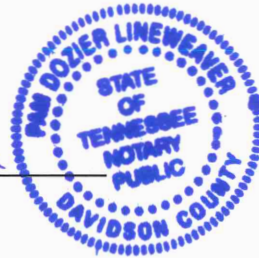
COUNTY OF Davidson

The foregoing instrument was subscribed, sworn to and acknowledged before me

by John H. Crosslin on this the 9th day
of April, 2024.

My Commission expires: October 4, 2027

Pam Dozier Lineweaver
NOTARY PUBLIC, STATE AT LARGE



EQUAL OPPORTUNITY AGREEMENT

Standard Title VI Assurance

The Lexington Fayette-Urban County Government, (hereinafter referred to as the "Recipient") hereby agrees that as a condition to receiving any Federal financial assistance from the U.S. Department of Transportation, it will comply with Title VI of the Civil Rights Act of 1964, 78Stat.252, 42 U.S.C. 2000d-4 (hereinafter referred to as the "Act"), and all requirements imposed by or pursuant to Title 49, Code of Federal Regulations, U.S. Department of Transportation, Subtitle A, Office of the Secretary, (49 CFR, Part 21) Nondiscrimination in Federally Assisted Program of the Department of Transportation – Effectuation of Title VI of the Civil Rights Act of 1964 (hereinafter referred to as the "Regulations") and other pertinent directives, no person in the United States shall, on the grounds of race, color, national origin, sex, age (over 40), religion, sexual orientation, gender identity, veteran status, or disability be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Recipient receives Federal financial assistance from the U.S. Department of Transportation, including the Federal Highway Administration, and hereby gives assurance that will promptly take any necessary measures to effectuate this agreement. This assurance is required by subsection 21.7(a) (1) of the Regulations.

The Law

- Title VII of the Civil Rights Act of 1964 (amended 1972) states that it is unlawful for an employer to discriminate in employment because of race, color, religion, sex, age (40-70 years) or national origin.
- Executive Order No. 11246 on Nondiscrimination under Federal contract prohibits employment discrimination by contractor and sub-contractor doing business with the Federal Government or recipients of Federal funds. This order was later amended by Executive Order No. 11375 to prohibit discrimination on the basis of sex.
- Section 503 of the Rehabilitation Act of 1973 states:

The Contractor will not discriminate against any employee or applicant for employment because of physical or mental handicap.

- Section 2012 of the Vietnam Era Veterans Readjustment Act of 1973 requires Affirmative Action on behalf of disabled veterans and veterans of the Vietnam Era by contractors having Federal contracts.
- Section 206(A) of Executive Order 12086, Consolidation of Contract Compliance Functions for Equal Employment Opportunity, states:

The Secretary of Labor may investigate the employment practices of any Government contractor or sub-contractor to determine whether or not the contractual provisions specified in Section 202 of this order have been violated.

The Lexington-Fayette Urban County Government practices Equal Opportunity in recruiting, hiring and promoting. It is the Government's intent to affirmatively provide employment opportunities for those individuals who have previously not been allowed to enter into the mainstream of society. Because of its importance to the local Government, this policy carries the full endorsement of the Mayor, Commissioners, Directors and all supervisory personnel. In following this commitment to Equal Employment Opportunity and because the Government is the benefactor of the Federal funds, it is both against the Urban County Government policy and illegal for the Government to let contracts to companies which knowingly or unknowingly practice discrimination in their employment practices. Violation of the above mentioned ordinances may cause a contract to be canceled and the contractors may be declared ineligible for future consideration.

Please sign this statement in the appropriate space acknowledging that you have read and understand the provisions contained herein. Return this document as part of your application packet.

Bidders

I/We agree to comply with the Civil Rights Laws listed above that govern employment rights of minorities, women, Vietnam veterans, handicapped and aged persons.



Signature

Crosslin, PLLC

Name of Business

WORKFORCE ANALYSIS FORM

Name of Organization: Crosslin, PLLC

Categories	Total	White (Not Hispanic or Latino)		Hispanic or Latino		Black or African- American (Not Hispanic or Latino)		Native Hawaiian and Other Pacific Islander (Not Hispanic or Latino)		Asian (Not Hispanic or Latino)		American Indian or Alaskan Native (not Hispanic or Latino)		Two or more races (Not Hispanic or Latino)		Total	
		M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F
Administrators		6	2													6	2
Professionals		28	11											1	28	12	
Superintendents																	
Supervisors			1														1
Foremen																	
Technicians		5														5	
Protective																	
Para-																	
Office/Clerical		3	6			1										4	6
Skilled Craft																	
Service/Maintena																	
Total:		42	20			1								1	43	21	

Prepared by: John H. Crosslin Date: 4, 9, 24
 (Name and Title)

Revised 2015-Dec-15

Crosslin is also committed to hiring and employing our veterans. A summary of our team members is below:

Veteran Status	Males	Females	Total
Yes	6	0	6
No	36	20	56
National Guard	1	0	1
Basic Training-Medically Discharged	0	1	1
Total	43	21	64

**DIRECTOR, DIVISION OF PROCUREMENT
LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT
200 EAST MAIN STREET
LEXINGTON, KENTUCKY 40507**

NOTICE OF REQUIREMENT FOR AFFIRMATIVE ACTION TO ENSURE EQUAL EMPLOYMENT OPPORTUNITIES AND DBE CONTRACT PARTICIPATION

Notice of requirement for Affirmative Action to ensure Equal Employment Opportunities and Disadvantaged Business Enterprises (DBE) Contract participation. Disadvantaged Business Enterprises (DBE) consists of Minority-Owned Business Enterprises (MBE) and Woman-Owned Business Enterprises (WBE).

The Lexington-Fayette Urban County Government has set a goal that not less than ten percent (10%) of the total value of this Contract be subcontracted to Disadvantaged Business Enterprises, which is made up of MBEs and WBEs. The Lexington Fayette Urban County Government also has set a goal that not less than three percent (3%) of the total value of this Contract be subcontracted to Veteran-owned Small Businesses. The goal for the utilization of Disadvantaged Business Enterprises as well Veteran –owned Small Businesses as subcontractors is a recommended goal. Contractor(s) who fail to meet such goal will be expected to provide written explanations to the Director of the Division of Purchasing of efforts they have made to accomplish the recommended goal, and the extent to which they are successful in accomplishing the recommended goal will be a consideration in the procurement process. Depending on the funding source, other DBE goals may apply.

For assistance in locating Disadvantaged Business Enterprises Subcontractors contact:

Sherita Miller, MPA, Division of Procurement
Lexington-Fayette Urban County Government
200 East Main Street, 3rd Floor, Room 338
Lexington, Kentucky 40507
smiller@lexingtonky.gov

Firm Submitting Proposal: Crosslin, PLLC

Complete Address: 318 E. Main Street, Second Floor, Lexington, Kentucky 40507 and
3803 Bedford Avenue, Suite 201, Nashville, Tennessee 37215
Street City Zip

Contact Name: John H. Crosslin Title: Audit Partner and Co-Managing Principal

Telephone Number: (615) 320-5500 Fax Number: (615) 329-9465

Email address: John.Crosslin@crosslinpc.com

Lexington-Fayette Urban County Government
MWDBE PARTICIPATION GOALS

A. GENERAL

- 1) The LFUCG request all potential contractors to make a concerted effort to include Minority-Owned (MBE), Woman-Owned (WBE), Disadvantaged (DBE) Business Enterprises and Veteran-Owned Small Businesses (VOSB) as subcontractors or suppliers in their bids.
- 2) Toward that end, the LFUCG has established 10% of total procurement costs as a Goal for participation of Minority-Owned, Woman-Owned and Disadvantaged Businesses on this contract.
- 3) **It is therefore a request of each Bidder to include in its bid, the same goal (10%) for MWDBE participation and other requirements as outlined in this section.**
- 4) The LFUCG has also established a 3% of total procurement costs as a Goal for participation for of Veteran-Owned Businesses.
- 5) **It is therefore a request of each Bidder to include in its bid, the same goal (3%) for Veteran-Owned participation and other requirements as outlined in this section.**

B. PROCEDURES

- 1) The successful bidder will be required to report to the LFUCG, the dollar amounts of all payments submitted to Minority-Owned, Woman-Owned or Veteran-Owned subcontractors and suppliers for work done or materials purchased for this contract. (See Subcontractor Monthly Payment Report)
- 2) Replacement of a Minority-Owned, Woman-Owned or Veteran-Owned subcontractor or supplier listed in the original submittal must be requested in writing and must be accompanied by documentation of Good Faith Efforts to replace the subcontractor / supplier with another MWDBE Firm; this is subject to approval by the LFUCG. (See LFUCG MWDBE Substitution Form)
- 3) For assistance in identifying qualified, certified businesses to solicit for potential contracting opportunities, bidders may contact:
 - a) The Lexington-Fayette Urban County Government, Division of Procurement (859-258-3320)
- 4) The LFUCG will make every effort to notify interested MWDBE and Veteran-Owned subcontractors and suppliers of each Bid Package, including information on the scope of work, the pre-bid meeting time and location, the bid date, and all other pertinent information regarding the project.

C. DEFINITIONS

- 1) A Minority-Owned Business Enterprise (MBE) is defined as a business which is certified as being at least 51% owned, managed and controlled by persons of African American, Hispanic, Asian, Pacific Islander, American Indian or Alaskan Native Heritage.
- 2) A Woman-Owned Business Enterprise (WBE) is defined as a business which is certified as being at least 51% owned, managed and controlled by one or more women.

- 3) A Disadvantaged Business (DBE) is defined as a business which is certified as being at least 51% owned, managed and controlled by a person(s) that are economically and socially disadvantaged.
- 4) A Veteran-Owned Small Business (VOSB) is defined as a business which is certified as being at least 51% owned, managed and controlled by a veteran and/or a service disabled veteran.
- 5) Good Faith Efforts are efforts that, given all relevant circumstances, a bidder or proposer actively and aggressively seeking to meet the goals, can reasonably be expected to make. In evaluating good faith efforts made toward achieving the goals, whether the bidder or proposer has performed the efforts outlined in the Obligations of Bidder for Good Faith Efforts outlined in this document will be considered, along with any other relevant factors.

D. OBLIGATION OF BIDDER FOR GOOD FAITH EFFORTS

- 1) **The bidder shall make a Good Faith Effort to achieve the Participation Goal for MWDBE and Veteran-Owned subcontractors/suppliers. The failure to meet the goal shall not necessarily be cause for disqualification of the bidder; however, bidders not meeting the goal are required to furnish with their bids written documentation of their Good Faith Efforts to do so.**
- 2) Award of Contract shall be conditioned upon satisfaction of the requirements set forth herein.
- 3) The Form of Proposal includes a section entitled “MWDBE Participation Form”. The applicable information must be completed and submitted as outlined below.
- 4) **Failure to submit this information as requested may be cause for rejection of bid or delay in contract award.**

E. DOCUMENTATION REQUIRED FOR GOOD FAITH EFFORTS

- 1) Bidders reaching the Goal are required to submit only the MWDBE Participation Form.” The form must be fully completed including names and telephone number of participating MWDBE firm(s); type of work to be performed; estimated value of the contract and value expressed as a percentage of the total Lump Sum Bid Price. The form must be signed and dated, and is to be submitted with the bid.
- 2) Bidders not reaching the Goal must submit the “MWDBE Participation Form”, the “Quote Summary Form” and a written statement documenting their Good Faith Effort to do so. If bid includes no MWDBE and/or Veteran participation, bidder shall enter “None” on the subcontractor / supplier form). In addition, the bidder must submit written proof of their Good Faith Efforts to meet the Participation Goal:
 - a. Advertised opportunities to participate in the contract in at least two (2) publications of general circulation media; trade and professional association publications; small and minority business or trade publications; and publications or trades targeting minority, women and disadvantaged businesses not less than fifteen (15) days prior to the deadline for submission of bids to allow MWDBE firms and Veteran-Owned businesses to participate.
 - b. Included documentation of advertising in the above publications with the bidders good faith efforts package

- c. Attended LFUCG Procurement Economic Inclusion Outreach event
- d. Attended pre-bid meetings that were scheduled by LFUCG to inform MWDBEs and/or Veteran-Owned businesses of subcontracting opportunities
- e. Sponsored Economic Inclusion event to provide networking opportunities for prime contractors and MWDBE firms and Veteran-Owned businesses.
- f. Requested a list of MWDBE and/or Veteran subcontractors or suppliers from LFUCG and showed evidence of contacting the companies on the list(s).
- g. Contacted organizations that work with MWDBE companies for assistance in finding certified MWDBE firms and Veteran-Owned businesses to work on this project. Those contacted and their responses should be a part of the bidder's good faith efforts documentation.
- d. Sent written notices, by certified mail, email or facsimile, to qualified, certified MWDBEs and/or Veteran-Owned businesses soliciting their participation in the contract not less than seven (7) days prior to the deadline for submission of bids to allow them to participate effectively.
- e. Followed up initial solicitations by contacting MWDBEs and Veteran-Owned Businesses to determine their level of interest.
- j. Provided the interested MWDBE firm and/or Veteran-Owned business with adequate and timely information about the plans, specifications, and requirements of the contract.
- k. Selected portions of the work to be performed by MWDBE firms and/or Veteran-Owned businesses in order to increase the likelihood of meeting the contract goals. This includes, where appropriate, breaking out contract work items into economically feasible units to facilitate MWDBE and Veteran participation, even when the prime contractor may otherwise perform these work items with its own workforce
- l. Negotiated in good faith with interested MWDBE firms and Veteran-Owned businesses not rejecting them as unqualified without sound reasons based on a thorough investigation of their capabilities. Any rejection should be so noted in writing with a description as to why an agreement could not be reached.
- m. Included documentation of quotations received from interested MWDBE firms and Veteran-Owned businesses which were not used due to uncompetitive pricing or were rejected as unacceptable and/or copies of responses from firms indicating that they would not be submitting a bid.
- n. Bidder has to submit sound reasons why the quotations were considered unacceptable. The fact that the bidder has the ability and/or desire to perform the contract work with its own forces will not be considered a sound reason for rejecting a MWDBE and/or Veteran-Owned business's quote. Nothing in this provision shall be construed to require the bidder to accept unreasonable quotes in order to satisfy MWDBE and Veteran goals.

o. Made an effort to offer assistance to or refer interested MWDBE firms and Veteran-Owned businesses to obtain the necessary equipment, supplies, materials, insurance and/or bonding to satisfy the work requirements of the bid proposal

p. Made efforts to expand the search for MWBE firms and Veteran-Owned businesses beyond the usual geographic boundaries.

q. Other--any other evidence that the bidder submits which may show that the bidder has made reasonable good faith efforts to include MWDBE and Veteran participation.

Note: Failure to submit any of the documentation requested in this section may be cause for rejection of bid. Bidders may include any other documentation deemed relevant to this requirement which is subject to review by the MBE Liaison. Documentation of Good Faith Efforts must be submitted with the Bid, if the participation Goal is not met.



MINORITY BUSINESS ENTERPRISE PROGRAM

Sherita Miller, MPA
Minority Business Enterprise Liaison
Division of Procurement
Lexington-Fayette Urban County Government
200 East Main Street
Lexington, KY 40507
smiller@lexingtonky.gov
859-258-3323

OUR MISSION: The mission of the Minority Business Enterprise Program is to facilitate the full participation of minority and women owned businesses in the procurement process and to promote economic inclusion as a business imperative essential to the long term economic viability of Lexington-Fayette Urban County Government.

To that end the city council adopted and implemented Resolution 484-2017 – A Certified Minority, Women and Disadvantaged Business Enterprise ten percent (10%) minimum goal and a three (3%) minimum goal for Certified Veteran-Owned Small Businesses and Certified Service Disabled Veteran – Owned Businesses for government contracts.

The resolution states the following definitions shall be used for the purposes of reaching these goals (a full copy is available in Procurement):

Certified Disadvantaged Business Enterprise (DBE) – a business in which at least fifty-one percent (51%) is owned, managed and controlled by a person(s) who is socially and economically disadvantaged as defined by 49 CFR subpart 26.

Certified Minority Business Enterprise (MBE) – a business in which at least fifty-one percent (51%) is owned, managed and controlled by an ethnic minority (i.e. African American, Asian American/Pacific Islander, Hispanic Islander, Native American/Native Alaskan Indian) as defined in federal law or regulation as it may be amended from time-to-time.

Certified Women Business Enterprise (WBE) – a business in which at least fifty-one percent (51%) is owned, managed and controlled by a woman.

Certified Veteran-Owned Small Business (VOSB) – a business in which at least fifty-one percent (51%) is owned, managed and controlled by a veteran who served on active duty with the U.S. Army, Air Force, Navy, Marines or Coast Guard.

Certified Service Disabled Veteran Owned Small Business (SDVOSB) – a business in which at least fifty-one percent (51%) is owned, managed and controlled by a disabled veteran who served on active duty with the U.S. Army, Air Force, Navy, Marines or Coast Guard.

The term “Certified” shall mean the business is appropriately certified, licensed, verified, or validated by an organization or entity recognized by the Division of Purchasing as having the appropriate credentials to make a determination as to the status of the business.

We have compiled the list below to help you locate certified MBE, WBE and DBE certified businesses. Below is a listing of contacts for LFUCG Certified MWDBEs and Veteran-Owned Small Businesses in (<https://lexingtonky.ionwave.net>)

Business	Contact	Email Address	Phone
* LFUCG	Sherita Miller	smiller@lexingtonky.gov	859-258-3323
* Commerce Lexington – Minority Business Development	Tyrone Tyra	ttyra@commercelexington.com	859-226-1625
* Tri-State Minority Supplier Diversity Council	Susan Marston	smarston@tsmsdc.com	502-365-9762
* Small Business Development Council	Shawn Rogers UK SBDC	shawn.rogers@uky.edu	859-257-7666
* Community Ventures Corporation	Phyllis Alcorn	palcorn@cvky.org	859-231-0054
KY Transportation Cabinet (KYTC)	Melvin Bynes	Melvin.bynes2@ky.gov	502-564-3601
KYTC Pre-Qualification	Shella Eagle	Shella.Eagle@ky.gov	502-782-4815
Ohio River Valley Women’s Business Council (WBENC)	Sheila Mixon	smixon@orwbc.org	513-487-6537
* Kentucky MWBE Certification Program	Yvette Smith, Kentucky Finance Cabinet	Yvette.Smith@ky.gov	502-564-8099
* National Women Business Owner’s Council (NWBOC)	Janet Harris-Lange	janet@nwvoc.org	800-675-5066
* Small Business Administration	Robert Coffey	robertcoffey@sba.gov	502-582-5971
LaVoz de Kentucky	Andres Cruz	lavozdeky@yahoo.com	859-621-2106
The Key News Journal	Patrice Muhammad	production@keynewsjournal.com	859-685-8488

*Crosslin contacted either through email or phone call to try to obtain a list of MBE, WBE, and DBE certified businesses. Crosslin contracted various Kentucky firms and only one firm, Peer House, LLC, returned our emails and phone calls and agreed to participate as of WBE partner at a 10% level.



LFUCG MWDBE PARTICIPATION FORM
Bid/RFP/Quote Reference # 14-2024

The MWDBE and/or veteran subcontractors listed have agreed to participate on this Bid/RFP/Quote. If any substitution is made or the total value of the work is changed prior to or after the job is in progress, it is understood that those substitutions must be submitted to Procurement for approval immediately. **Failure to submit a completed form may cause rejection of the bid.**

MWDBE Company, Name, Address, Phone, Email	MBE WBE or DBE	Work to be Performed	Total Dollar Value of the Work	% Value of Total Contract
1. Peer House, LLC Ozlem Davis 3320 Clays Mills Rd., Ste.113 Lexington, KY 40503 (859) 200-9034 odavis@peerhousecpa.com	WBE	External Audit Services	\$17,850	10%
2.				
3.				
4.				

The undersigned company representative submits the above list of MWDBE firms to be used in accomplishing the work contained in this Bid/RFP/Quote. Any misrepresentation may result in the termination of the contract and/or be subject to applicable Federal and State laws concerning false statements and false claims.

Crosslin, PLLC
Company

April 9, 2024
Date

John H. Crosslin, CPA
Company Representative

Co-Managing Principal
Title



LFUCG MWDBE SUBSTITUTION FORM
Bid/RFP/Quote Reference # 14-2024

The substituted MWDBE and/or veteran subcontractors listed below have agreed to participate on this Bid/RFP/Quote. These substitutions were made prior to or after the job was in progress. These substitutions were made for reasons stated below and are now being submitted to Procurement for approval. By the authorized signature of a representative of our company, we understand that this information will be entered into our file for this project.

SUBSTITUTED MWDBE Company Name, Address, Phone, Email	MWDBE Formally Contracted/ Name, Address, Phone, Email	Work to Be Performed	Reason for the Substitution	Total Dollar Value of the Work	% Value of Total Contract
1. N/A					
2.					
3.					
4.					

The undersigned acknowledges that any misrepresentation may result in termination of the contract and/or be subject to applicable Federal and State laws concerning false statements and false claims.

Crosslin, PLLC
 Company

April 9, 2024
 Date

John H. Crosslin, CPA
 Company Representative

Co-Managing Principal
 Title



MWDBE QUOTE SUMMARY FORM
Bid/RFP/Quote Reference # 14-2024

The undersigned acknowledges that the minority and/or veteran subcontractors listed on this form did submit a quote to participate on this project. Failure to submit this form may cause rejection of the bid.

Company Name Peer House, LLC	Contact Person John H. Crosslin, CPA
Address/Phone/Email 318 E. Main Street 2nd Floor Lexington, KY 40507 (859) 254-4428 3803 Bedford Avenue, Suite 201 Nashville, TN 3215 (615) 320-5500 john.crosslin@crosslinpc.com	Bid Package / Bid Date 14-2024 April 9, 2024

MWDBE Company Address	Contact Person	Contact Information (work phone, Email, cell)	Date Contacted	Services to be performed	Method of Communication (email, phone meeting, ad, event etc)	Total dollars \$\$ Do Not Leave Blank (Attach Documentation)	MBE * AA HA AS NA Female	Veteran
Peer House, LLC 3320 Clays Mills Rd. Ste. 113 Lexington, KY 40503	Ozlem Davis	(859) 200-9034 odavis@peerhousecpa.com	3/20/2024 3/27/2024	External Audit Services	Phone and email	\$17,850	Female	N/A

(MBE designation / AA=African American / HA= Hispanic American/AS = Asian American/Pacific Islander/ NA= Native American)

The undersigned acknowledges that all information is accurate. Any misrepresentation may result in termination of the contract and/or be subject to applicable Federal and State laws concerning false statements and claims.

Crosslin, PLLC
Company

John H. Crosslin, CPA
Company Representative

April 9, 2024
Date

Co-Managing Principal
Title



LFUCG SUBCONTRACTOR MONTHLY PAYMENT REPORT *

The LFUCG has a 10% goal plan adopted by city council to increase the participation of minority and women owned businesses in the procurement process. The LFUCG also has a 3% goal plan adopted by cited council to increase the participation of veteran owned businesses in the procurement process. In order to measure that goal LFUCG will track spending with MWDBE and Veteran contractors on a monthly basis. By the signature below of an authorized company representative, you certify that the information is correct, and that each of the representations set forth below is true. Any misrepresentation may result in termination of the contract and/or prosecution under applicable Federal and State laws concerning false statements and false claims. Please submit this form monthly to the Division of Procurement/ 200 East Main Street / Room 338 / Lexington, KY 40507.

Bid/RFP/Quote # 14-2024

Total Contract Amount Awarded to Prime Contractor for this Project _____

Project Name/ Contract #	Work Period/ From: _____ To: _____
Company Name:	Address:
Federal Tax ID:	Contact Person:

Subcontractor Vendor ID (name, address, phone, email)	Description of Work	Total Subcontract Amount	% of Total Contract Awarded to Prime for this Project	Total Amount Paid for this Period	Purchase Order number for subcontractor work (please attach PO)	Scheduled Project Start Date	Scheduled Project End Date

By the signature below of an authorized company representative, you certify that the information is correct, and that each of the representations set forth below is true. Any misrepresentations may result in the termination of the contract and/or prosecution under applicable Federal and State laws concerning false statements and false claims.

Crosslin, PLLC _____

Company

April 9, 2024 _____

Date

John H. Crosslin, CPA _____

Company Representative

Co-Managing Principal _____

Title

*Crosslin will use this report for the monthly payment report, if selected as the external auditors.

LFUCG STATEMENT OF GOOD FAITH EFFORTS

Bid/RFP/Quote # 14-2024

By the signature below of an authorized company representative, we certify that we have utilized the following Good Faith Efforts to obtain the maximum participation by MWDBE and Veteran-Owned business enterprises on the project and can supply the appropriate documentation.

Advertised opportunities to participate in the contract in at least two (2) publications of general circulation media; trade and professional association publications; small and minority business or trade publications; and publications or trades targeting minority, women and disadvantaged businesses not less than fifteen (15) days prior to the deadline for submission of bids to allow MWDBE firms and Veteran-Owned businesses to participate.

Included documentation of advertising in the above publications with the bidders good faith efforts package

Attended LFUCG Procurement Economic Inclusion Outreach event

Attended pre-bid meetings that were scheduled by LFUCG to inform MWDBEs and/or Veteran-Owned Businesses of subcontracting opportunities

Sponsored Economic Inclusion event to provide networking opportunities for prime contractors and MWDBE firms and Veteran-Owned businesses

Requested a list of MWDBE and/or Veteran subcontractors or suppliers from LFUCG and showed evidence of contacting the companies on the list(s).

Contacted organizations that work with MWDBE companies for assistance in finding certified MWDBE firms and Veteran-Owned businesses to work on this project. Those contacted and their responses should be a part of the bidder's good faith efforts documentation.

Sent written notices, by certified mail, email or facsimile, to qualified, certified MWDBEs soliciting their participation in the contract not less than seven (7) days prior to the deadline for submission of bids to allow them to participate effectively.

Followed up initial solicitations by contacting MWDBEs and Veteran-Owned businesses to determine their level of interest.

Provided the interested MWDBE firm and/or Veteran-Owned business with adequate and timely information about the plans, specifications, and requirements of the contract.

Selected portions of the work to be performed by MWDBE firms and/or Veteran-Owned businesses in order to increase the likelihood of meeting the contract goals. This includes, where appropriate, breaking out contract work items

into economically feasible units to facilitate MWDBE and Veteran participation, even when the prime contractor may otherwise perform these work items with its own workforce

 Negotiated in good faith with interested MWDBE firms and Veteran-Owned businesses not rejecting them as unqualified without sound reasons based on a thorough investigation of their capabilities. Any rejection should be so noted in writing with a description as to why an agreement could not be reached.

 Included documentation of quotations received from interested MWDBE firms and Veteran-Owned businesses which were not used due to uncompetitive pricing or were rejected as unacceptable and/or copies of responses from firms indicating that they would not be submitting a bid.

 Bidder has to submit sound reasons why the quotations were considered unacceptable. The fact that the bidder has the ability and/or desire to perform the contract work with its own forces will not be considered a sound reason for rejecting a MWDBE and/or Veteran-Owned business's quote. Nothing in this provision shall be construed to require the bidder to accept unreasonable quotes in order to satisfy MWDBE and Veteran goals.

 Made an effort to offer assistance to or refer interested MWDBE firms and Veteran-Owned businesses to obtain the necessary equipment, supplies, materials, insurance and/or bonding to satisfy the work requirements of the bid proposal

 X Made efforts to expand the search for MWBE firms and Veteran-Owned businesses beyond the usual geographic boundaries.

 X Other--any other evidence that the bidder submits which may show that the bidder has made reasonable good faith efforts to include MWDBE and Veteran participation. *See the note on the listing of contacts for LFUCG Certified MWDBEs and Veteran-Owned Small Business firms.

NOTE: Failure to submit any of the documentation requested in this section may be cause for rejection of bid. Bidders may include any other documentation deemed relevant to this requirement which is subject to approval by the MBE Liaison. Documentation of Good Faith Efforts must be submitted with the Bid, if the participation Goal is not met.

The undersigned acknowledges that all information is accurate. Any misrepresentations may result in termination of the contract and/or be subject to applicable Federal and State laws concerning false statements and claims.

Crosslin, PLLC

Company
April 9, 2024

Date

John H. Crosslin, CPA

Company Representative
Co-Managing Principal

Title

GENERAL PROVISIONS

1. Each Respondent shall comply with all Federal, State & Local regulations concerning this type of service or good.

The Respondent agrees to comply with all statutes, rules, and regulations governing safe and healthful working conditions, including the Occupational Health and Safety Act of 1970, *29 U.S.C. 650 et. seq.*, as amended, and KRS Chapter 338. The Respondent also agrees to notify the LFUCG in writing immediately upon detection of any unsafe and/or unhealthful working conditions at the job site. The Respondent agrees to indemnify, defend and hold the LFUCG harmless from all penalties, fines or other expenses arising out of the alleged violation of said laws.

2. Failure to submit ALL forms and information required in this RFP may be grounds for disqualification.
3. Addenda: All addenda and IonWave Q&A, if any, shall be considered in making the proposal, and such addenda shall be made a part of this RFP. Before submitting a proposal, it is incumbent upon each proposer to be informed as to whether any addenda have been issued, and the failure to cover in the bid any such addenda may result in disqualification of that proposal.
4. Proposal Reservations: LFUCG reserves the right to reject any or all proposals, to award in whole or part, and to waive minor immaterial defects in proposals. LFUCG may consider any alternative proposal that meets its basic needs.
5. Liability: LFUCG is not responsible for any cost incurred by a Respondent in the preparation of proposals.
6. Changes/Alterations: Respondent may change or withdraw a proposal at any time prior to the opening; however, no oral modifications will be allowed. Only letters, or other formal written requests for modifications or corrections of a previously submitted proposal which is addressed in the same manner as the proposal, and received by LFUCG prior to the scheduled closing time for receipt of proposals, will be accepted. The proposal, when opened, will then be corrected in accordance with such written request(s), provided that the written request is contained in a sealed envelope which is plainly marked "modifications of proposal".
7. Clarification of Submittal: LFUCG reserves the right to obtain clarification of any point in a bid or to obtain additional information from a Respondent.
8. Bribery Clause: By his/her signature on the bid, Respondent certifies that no employee of his/hers, any affiliate or Subcontractor, has bribed or attempted to bribe an officer or employee of the LFUCG.

9. Additional Information: While not necessary, the Respondent may include any product brochures, software documentation, sample reports, or other documentation that may assist LFUCG in better understanding and evaluating the Respondent's response. Additional documentation shall not serve as a substitute for other documentation which is required by this RFP to be submitted with the proposal,
10. Ambiguity, Conflict or other Errors in RFP: If a Respondent discovers any ambiguity, conflict, discrepancy, omission or other error in the RFP, it shall immediately notify LFUCG of such error in writing and request modification or clarification of the document if allowable by the LFUCG.
11. Agreement to Bid Terms: In submitting this proposal, the Respondent agrees that it has carefully examined the specifications and all provisions relating to the work to be done attached hereto and made part of this proposal. By acceptance of a Contract under this RFP, proposer states that it understands the meaning, intent and requirements of the RFP and agrees to the same. The successful Respondent shall warrant that it is familiar with and understands all provisions herein and shall warrant that it can comply with them. No additional compensation to Respondent shall be authorized for services or expenses reasonably covered under these provisions that the proposer omits from its Proposal.
12. Cancellation: If the services to be performed hereunder by the Respondent are not performed in an acceptable manner to the LFUCG, the LFUCG may cancel this contract for cause by providing written notice to the proposer, giving at least thirty (30) days notice of the proposed cancellation and the reasons for same. During that time period, the proposer may seek to bring the performance of services hereunder to a level that is acceptable to the LFUCG, and the LFUCG may rescind the cancellation if such action is in its best interest.

A. Termination for Cause

- (1) LFUCG may terminate a contract because of the contractor's failure to perform its contractual duties
- (2) If a contractor is determined to be in default, LFUCG shall notify the contractor of the determination in writing, and may include a specified date by which the contractor shall cure the identified deficiencies. LFUCG may proceed with termination if the contractor fails to cure the deficiencies within the specified time.
- (3) A default in performance by a contractor for which a contract may be terminated shall include, but shall not necessarily be limited to:
 - (a) Failure to perform the contract according to its terms, conditions and specifications;
 - (b) Failure to make delivery within the time specified or according

- to a delivery schedule fixed by the contract;
- (c) Late payment or nonpayment of bills for labor, materials, supplies, or equipment furnished in connection with a contract for construction services as evidenced by mechanics' liens filed pursuant to the provisions of KRS Chapter 376, or letters of indebtedness received from creditors by the purchasing agency;
 - (d) Failure to diligently advance the work under a contract for construction services;
 - (e) The filing of a bankruptcy petition by or against the contractor; or
 - (f) Actions that endanger the health, safety or welfare of the LFUCG or its citizens.

B. At Will Termination

Notwithstanding the above provisions, the LFUCG may terminate this contract at will in accordance with the law upon providing thirty (30) days written notice of that intent, Payment for services or goods received prior to termination shall be made by the LFUCG provided these goods or services were provided in a manner acceptable to the LFUCG. Payment for those goods and services shall not be unreasonably withheld.

13. **Assignment of Contract:** The contractor shall not assign or subcontract any portion of the Contract without the express written consent of LFUCG. Any purported assignment or subcontract in violation hereof shall be void. It is expressly acknowledged that LFUCG shall never be required or obligated to consent to any request for assignment or subcontract; and further that such refusal to consent can be for any or no reason, fully within the sole discretion of LFUCG.
14. **No Waiver:** No failure or delay by LFUCG in exercising any right, remedy, power or privilege hereunder, nor any single or partial exercise thereof, nor the exercise of any other right, remedy, power or privilege shall operate as a waiver hereof or thereof. No failure or delay by LFUCG in exercising any right, remedy, power or privilege under or in respect of this Contract shall affect the rights, remedies, powers or privileges of LFUCG hereunder or shall operate as a waiver thereof.
15. **Authority to do Business:** The Respondent must be a duly organized and authorized to do business under the laws of Kentucky. Respondent must be in good standing and have full legal capacity to provide the services specified under this Contract. The Respondent must have all necessary right and lawful authority to enter into this Contract for the full term hereof and that proper corporate or other action has been duly taken authorizing the Respondent to enter into this Contract. The Respondent will provide LFUCG with a copy of a corporate resolution authorizing this action and a letter from an attorney confirming that the proposer is authorized to do business in the State of Kentucky if requested. All proposals must

be signed by a duly authorized officer, agent or employee of the Respondent.

16. **Governing Law:** This Contract shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky. In the event of any proceedings regarding this Contract, the Parties agree that the venue shall be the Fayette County Circuit Court or the U.S. District Court for the Eastern District of Kentucky, Lexington Division. All parties expressly consent to personal jurisdiction and venue in such Court for the limited and sole purpose of proceedings relating to this Contract or any rights or obligations arising thereunder. Service of process may be accomplished by following the procedures prescribed by law.
17. **Ability to Meet Obligations:** Respondent affirmatively states that there are no actions, suits or proceedings of any kind pending against Respondent or, to the knowledge of the Respondent, threatened against the Respondent before or by any court, governmental body or agency or other tribunal or authority which would, if adversely determined, have a materially adverse effect on the authority or ability of Respondent to perform its obligations under this Contract, or which question the legality, validity or enforceability hereof or thereof.
18. Contractor understands and agrees that its employees, agents, or subcontractors are not employees of LFUCG for any purpose whatsoever. Contractor is an independent contractor at all times during the performance of the services specified.
19. If any term or provision of this Contract shall be found to be illegal or unenforceable, the remainder of the contract shall remain in full force and such term or provision shall be deemed stricken.
20. Contractor [or Vendor or Vendor's Employees] will not appropriate or make use of the Lexington-Fayette Urban County Government (LFUCG) name or any of its trade or service marks or property (including but not limited to any logo or seal), in any promotion, endorsement, advertisement, testimonial or similar use without the prior written consent of the government. If such consent is granted LFUCG reserves the unilateral right, in its sole discretion, to immediately terminate and revoke such use for any reason whatsoever. Contractor agrees that it shall cease and desist from any unauthorized use immediately upon being notified by LFUCG.



Signature

4-9-24

Date

**RISK MANAGEMENT PROVISIONS
INSURANCE AND INDEMNIFICATION**

INDEMNIFICATION AND HOLD HARMLESS PROVISION

- (1) It is understood and agreed by the parties that Contractor hereby assumes the entire responsibility and liability for any and all damages to persons or property caused by or resulting from or arising out of any act or omission on the part of Contractor or its employees, agents, servants, owners, principals, licensees, assigns or subcontractors of any tier (hereinafter "CONTRACTOR") under or in connection with this agreement and/or the provision of goods or services and the performance or failure to perform any work required thereby.
- (2) CONTRACTOR shall indemnify, save, hold harmless and defend the Lexington-Fayette Urban County Government and its elected and appointed officials, employees, agents, volunteers, and successors in interest (hereinafter "LFUCG") from and against all liability, damages, and losses, including but not limited to, demands, claims, obligations, causes of action, judgments, penalties, fines, liens, costs, expenses, interest, defense costs and reasonable attorney's fees that are in any way incidental to or connected with, or that arise or are alleged to have arisen, directly or indirectly, from or by CONTRACTOR's performance or breach of the agreement and/or the provision of goods or services provided that: (a) it is attributable to personal injury, bodily injury, sickness, or death, or to injury to or destruction of property (including the loss of use resulting therefrom), or to or from the negligent acts, errors or omissions or willful misconduct of the CONTRACTOR; and (b) not caused solely by the active negligence or willful misconduct of LFUCG.
- (3) In the event LFUCG is alleged to be liable based upon the above, CONTRACTOR shall defend such allegations and shall bear all costs, fees and expenses of such defense, including but not limited to, all reasonable attorneys' fees and expenses, court costs, and expert witness fees and expenses, using attorneys approved in writing by LFUCG, which approval shall not be unreasonably withheld.
- (4) These provisions shall in no way be limited by any financial responsibility or insurance requirements, and shall survive the termination of this agreement.
- (5) LFUCG is a political subdivision of the Commonwealth of Kentucky. CONTRACTOR acknowledges and agrees that LFUCG is unable to provide indemnity or otherwise save, hold harmless, or defend the CONTRACTOR in any manner.
- (6) Notwithstanding, the foregoing with respect to any professional services performed by CONTRACTOR hereunder (and to the fullest extent permitted by law), CONTRACTOR shall indemnify, save, hold harmless and defend LFUCG from and against any and all liability, damages and losses, including but not limited to, demands, claims, obligations, causes of action, judgments, penalties, fines, liens, costs, expenses, interest, defense costs and reasonable attorney's fees, for any damage due to death or injury to any person or injury to any property (including the loss of use resulting therefrom) to the extent arising out of, pertaining to or relating to the negligence, recklessness or willful misconduct of CONTRACTOR in the performance of this agreement.

FINANCIAL RESPONSIBILITY

BIDDER/CONTRACTOR understands and agrees that it shall demonstrate the ability to assure compliance with the above Indemnity provisions and these other risk management provisions prior to final acceptance of its bid and the commencement of any work or provision of goods.

INSURANCE REQUIREMENTS

YOUR ATTENTION IS DIRECTED TO THE INSURANCE REQUIREMENTS BELOW, AND YOU MAY NEED TO CONFER WITH YOUR INSURANCE AGENTS, BROKERS, OR CARRIERS TO DETERMINE IN ADVANCE OF SUBMISSION OF A RESPONSE THE AVAILABILITY OF THE INSURANCE COVERAGES AND ENDORSEMENTS REQUIRED HEREIN. IF YOU FAIL TO COMPLY WITH THE INSURANCE REQUIREMENTS BELOW, YOU MAY BE DISQUALIFIED FROM AWARD OF THE CONTRACT.

Required Insurance Coverage

BIDDER/CONTRACTOR shall procure and maintain for the duration of this contract the following or equivalent insurance policies at no less than the limits shown below and cause its subcontractors to maintain similar insurance with limits acceptable to LFUCG in order to protect LFUCG against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by CONTRACTOR. The cost of such insurance shall be included in any bid:

<u>Coverage</u>	<u>Limits</u>
General Liability (Insurance Services Office Form CG 00 01)	\$1 million per occurrence, \$2 million aggregate or \$2 million combined single limit
Auto Liability	\$1 million per occurrence
Worker's Compensation	Statutory
Employer's Liability	\$100K
Professional (E&O) Liability	\$1 million per claim

The policies above shall contain the following conditions:

- a. All Certificates of Insurance forms used by the insurance carrier shall be properly filed and approved by the Department of Insurance for the Commonwealth of Kentucky (DOI). LFUCG shall be named as an additional insured in the General Liability Policy and Commercial Automobile Liability Policy using the Kentucky DOI approved forms.
- b. The General Liability Policy shall be primary to any insurance or self-insurance retained by LFUCG.
- c. LFUCG shall be provided at least 30 days advance written notice via certified mail, return receipt requested, in the event any of the required policies are canceled or non-renewed.
- d. Said coverage shall be written by insurers acceptable to LFUCG and shall be in a form acceptable to LFUCG. Insurance placed with insurers with a rating classification of no less than Excellent (A or A-) and a financial size category of no less than VIII, as defined by the most current Best's Key Rating Guide shall be deemed automatically acceptable.

Renewals

After insurance has been approved by LFUCG, evidence of renewal of an expiring policy must be submitted to LFUCG, and may be submitted on a manually signed renewal endorsement form. If the policy or carrier has changed, however, new evidence of coverage must be submitted in accordance with these Insurance Requirements.

Deductibles and Self-Insured Programs

IF YOU INTEND TO SUBMIT A SELF-INSURANCE PLAN IT MUST BE FORWARDED TO LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT, DIVISION OF RISK MANAGEMENT, 200 EAST MAIN STREET, LEXINGTON, KENTUCKY 40507 NO LATER THAN A MINIMUM OF FIVE (5) WORKING DAYS PRIOR TO THE RESPONSE DATE.

Self-insurance programs, deductibles, and self-insured retentions in insurance policies are subject to separate approval by Lexington-Fayette Urban County Government's Division of Risk Management, upon review of evidence of BIDDER/CONTRACTOR's financial capacity to respond to claims. Any such programs or retentions must provide LFUCG with at least the same protection from liability and defense of suits as would be afforded by first-dollar insurance coverage

Safety and Loss Control

CONTRACTOR shall comply with all applicable federal, state, and local safety standards related to the performance of its works or services under this Agreement and take necessary action to protect the life, health and safety and property of all of its personnel on the job site, the public, and LFUCG.

Verification of Coverage

BIDDER/CONTRACTOR agrees to furnish LFUCG with all applicable Certificates of Insurance signed by a person authorized by the insurer to bind coverage on its behalf prior to final award, and if requested, shall provide LFUCG copies of all insurance policies, including all endorsements.

Right to Review, Audit and Inspect

CONTRACTOR understands and agrees that LFUCG may review, audit and inspect any and all of its records and operations to insure compliance with these Insurance Requirements.

DEFAULT

BIDDER/CONTRACTOR understands and agrees that the failure to comply with any of these insurance, safety, or loss control provisions shall constitute default and that LFUCG may elect at its option any single remedy or penalty or any combination of remedies and penalties, as available, including but not limited to purchasing insurance and charging BIDDER/CONTRACTOR for any such insurance premiums purchased, or suspending or terminating the work.