



CENTERED ON YOUR SUCCESS

**COUNCILOR, BUCHANAN & MITCHELL, P.C. (CBM)
CPAs & BUSINESS ADVISORS**

**PROPOSAL FOR AUDIT SERVICES
FOR THE YEAR ENDING
JUNE 30, 2016**

PREPARED FOR

**THE NATIONAL ASSOCIATION OF STATE DIRECTORS OF
CAREER TECHNICAL EDUCATION CONSORTIUM
AND THE
NATIONAL CAREER TECHNICAL EDUCATION FOUNDATION
(NASDCTEC/NCTEF)**



SUBMITTED BY
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November 23, 2015

NASDCTEc/NCTEF

Attention: Karen Hornberger
8484 Georgia Avenue, Suite 320
Silver Spring, MD 20910

We appreciate this opportunity to present the qualifications of Councilor, Buchanan and Mitchell, P.C. (CBM) to the National Association of State Directors of Career Technical Education Consortium and The National Career Technical Education Foundation (NASDCTEc/NCTEF). We hope this proposal not only addresses your requirements, but more importantly, communicates our sincere desire to serve NASDCTEc/NCTEF.

AUDIT FIRM QUALIFICATIONS AND EXPERIENCE

NOT-FOR-PROFIT EXPERIENCE

The largest niche in our audit practice, CBM currently provides auditing services to over 200 not-for-profit, organizations in the Washington Metropolitan area. There are four principals dedicated to the Not-for-Profit service group. Our not-for-profit clients include public charities, trade associations, private foundations, and other tax exempt organizations. To maintain our standing as a premier not-for-profit accounting service provider, all CBM professional staff members are continually trained to ensure that their knowledge of not-for-profit audit and tax practices is current and complete. This includes all relevant courses required for A-133 audits. Additionally, a number of CBM principals and senior managers conduct lectures and seminars on the not-for-profit industry all over the United States for organizations such as the American Society of Association Executives, Maryland Association of Non-Profits, and the Finance and Administration Roundtable. CBM professionals are among the best in the not-for-profit community. Consequently the Institute can depend on CBM to provide the most up-to-date advice on tax and accounting matters. CBM also annually hosts a not-for-profit roundtable series on topics such as *Endowment Accounting and UPMIFA*, *Preparing for OMB Circular A-133 Audits*, and *The IRS Form 990*.

CBM has been helping nonprofits achieve their missions in the Washington metropolitan area and we have been able to maintain continuity and focus on our strengths in the nonprofit world. Our clients generally keep us as auditors for a long time, despite the recent trend of auditor rotation. This longevity also means we have a lot of ties to the DC community. Whether it's the nonprofit community, construction and real estate, local government, or high net-worth individuals, we have connections that allow us to be creative in ways that can help our clients.

CBM is a member of the Government Audit Quality Center of the American Institute of CPAs. The objective of this membership is to provide our firm with the latest and most comprehensive

resources in auditing not-for-profit organizations and local governments, including audits in accordance with OMB Circular A-133.

In addition to the AICPA's Government Audit Quality Center, CBM is also a member of Enterprise Worldwide, an affiliation of 110 CPA firms in the United States and 40 different countries. Many of these firms also have expertise in the not-for-profit industry. This network provides us with a valuable knowledge exchange, technical training, and a commitment to "Five Star Client Service®". Each member firm has been selected for its proven business and professional standards. Furthermore, a critical aspect of membership is the commitment to bringing the highest level of service and expertise to clients. The benefit to the Institute is an impressive network of CPA practitioners with significant experience auditing not-for-profit organizations, thus enabling us to better serve our clients with international needs and affiliations as a resource, if needed.

MINIMUM REQUIREMENTS

1. CERTIFIED PUBLIC ACCOUNTANT

Holly W. Caporale, CPA, is a certified public accountant licensed in the District of Columbia, the State of Maryland and the Commonwealth of Virginia.

2. INDEPENDENCE

We confirm that we are independent under the AICPA's Code of Professional Conduct with respect to the NASDCTEc/NCTEF. Our independence with respect to audit clients is critical. As such, we take every precaution to determine that there are not any real or perceived violations of independence. Our quality control procedures require us to review potential independence issues on the audit team and in our firm as a whole. In addition, annual written confirmation of independence, with respect to clients is required, annually for all CBM employees and new hires.

3. CERTIFICATIONS

- a. We certify that any staff assigned to this engagement have not been suspended, debarred or accepted voluntary exclusion by the federal or any government agency during the period covering this solicitation.
- b. CBM is devoted to quality, and we have taken extra steps to ensure that we meet the highest professional standards of quality. Every three years, our quality controls are examined by independent CPAs during peer review. Our peer review was performed by Smith, Elliott, Kearns and Company, LLC. A copy of our report is attached in the Appendices. We are pleased to report that during our most recently completed peer review dated September 4, 2014, we received a peer review rating of *pass*. This is the highest level of assurance a firm can obtain.

FIRM DESCRIPTION (STRUCTURE AND LOCATION)

Councilor, Buchanan & Mitchell, P.C. (CBM) has been in business for over 90 years, and we believe our longevity is a direct result of consistently delivering on our mission to provide valued solutions and timely services to assure our clients' success. In June of this year, CBM was awarded the "CPA Firm of the Year Award 2015" by Washington SmartCEO. The award honors the region's most enterprising accountants and attorneys for their leadership, accomplishment, innovation and success. Receiving this award illustrates the outstanding impact CBM makes on our clients' organizations.

On November 1, 2014 CBM merged with Drolet and Associates, P.L.L.C. (Drolet). Through the merger with Drolet, CBM added Patricia Drolet, Holly Caporale, and Matt Johnson as partners. The addition of these individuals to CBM provided additional experience and knowledge to our already strong not-for-profit division. CBM believes it is now one of the premier not-for-profit service providers in the Washington DC area.

CBM has approximately 60 employees and is headquartered in Bethesda, Maryland. CBM also has an office in Washington, DC that focuses on audits of tax exempt organizations.

REFERENCES

INTERNATIONAL AND AMERICAN ASSOCIATIONS OF DENTAL RESEARCH

Contact: Darin Walsh
Title: Senior Director of Finance and IT
Email: dwalsh@IADR.org
Phone: 703.299.8089

DIGITAL PROMISE

Contact: Kathryn Petrillo-Smith
Title: Chief Operating Officer
Email: kathryn@digitalpromise.org
Phone: 703.861.1556

EXPONENT PHILANTHROPY

Contact: Henry Berman
Title: Chief Executive Officer
Email: henry@exponentphilanthropy.org
Phone: (202) 580-6560

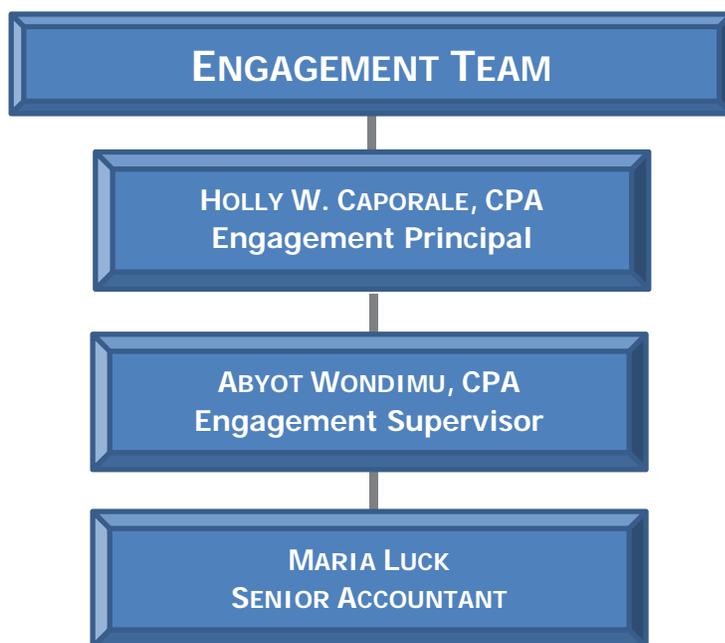
ENGAGEMENT TEAM

The key to establishing and maintaining an outstanding business relationship is providing a team of professionals who are technically competent, innovative, experienced in the client's industries, and who provide timely professional services.

I have extensive experience in the not-for-profit industry and will serve as your engagement principal. My responsibilities include ensuring that your engagement is conducted in accordance with professional standards, that any accounting issues are resolved to your satisfaction, and that the audited financial statements are presented to you in a timely manner.

Our firm, unlike others, has our principals actively involved in your engagement. The principal assigned to your engagement will make site visits to monitor the progress of the audit, as well as perform certain phases of the review process.

Your audit will be staffed by the following team members, whose profiles are included in the appendices to this proposal:



UNDERSTANDING OF SERVICES TO BE PROVIDED

We understand that NASDCTEc/NCTEF is requesting the following services:

Audit of NASDCTEc/NCTEF's financial statements for the year ended June 30, 2016 in accordance with generally accepted auditing standards.

CBM is committed and prepared to perform this engagement within the time period specified. We anticipate that the audit will be completed by early December.

PROPOSED FEES

It is our practice to charge clients monthly, as work progresses, based on standard hourly rates for the actual time spent on client matters, plus out-of-pocket expenses such as postage. We anticipate that out-of-pocket expenses will not exceed \$500.

The staff that will be assigned to the engagement include the principal, a supervisor and a senior accountant.

STANDARD BILLING RATES

Our billing rates by level are as follows:

DESCRIPTION	BILLING RATES
Partner	\$200 - \$300
Supervisor	\$140 - \$174
Seniors	\$132 - \$140
Staff Accountants	\$100 - \$132

Our fee for audit of the combined financial statements will not exceed \$15,000 for the year ended June 30, 2016.

This fee assumes that we will not encounter any significant issues and that the records maintained by the NASDCTEc/NCTEF are adequate for an audit. We anticipate any fee increases for the following year would be 3% or less, assuming no substantial change in your operations.

We will not bill you for additional services, without obtaining your approval in advance. We do not bill for minor consultations during the year. If a question is raised which appears to require significant research or time, we will advise you of this prior to starting on the task. We understand that clients do not like to be surprised by bills.

TERMS OF PAYMENT

Clients are billed as work progresses. Payments are expected to be made within 30 days of invoicing.

CONCLUSION

Our goal is to provide quality and timely services at a fair price. All of CBM's resources and efforts will be directed toward providing quality services to NASDCTEc/NCTEF.

In reviewing additional important attributes of our firm that differentiate us from other certified public accounting firms, NASDCTEc/NCTEF should consider the following:

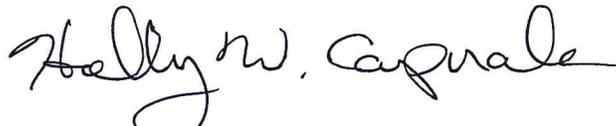
- We perform audit and tax services to over 200 not-for-profit clients in the Washington, D.C. metropolitan area;

- Our utilization of technology in the application of our audit planning and procedures;
- Our history of successful peer reviews;
- Clients generally remain with CBM for many years because of the professional knowledge, attention, and service we provide;
- Our continued commitment to recruiting, training, and retaining qualified professional staff to serve our clients resulting in a low staff turnover ratio.

Councilor, Buchanan & Mitchell, P.C. appreciates the opportunity to present our firm for your consideration and looks forward to the opportunity to serve The National Association of State Directors of Career Technical Education Consortium and The National Career Technical Education Foundation. We would be pleased to discuss this proposal with you at any time. If you have any questions concerning the scope of our work or the fees, please do not hesitate to contact us.

Come join the satisfied clientele of CBM and let us demonstrate to you the elite level of service we provide all of our customers.

Sincerely,



HOLLY W. CAPORALE, CPA
VICE PRESIDENT

APPENDICES

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STAFF BIOGRAPHIES

Holly W. Caporale

Abyot Wondimu

Maria Luck

PEER REVIEW LETTER

STAFF BIOGRAPHIES

HOLLY CAPORALE, CPA ENGAGEMENT PRINCIPAL



Holly is a Vice President with Councilor, Buchanan & Mitchell, P.C. (CBM). Holly joined CBM with the merger of Drolet & Associates, PLLC (Drolet), where she was a partner with Drolet for over 10 years. Holly spent the first six years of her career with a Big Four accounting firm, specializing in audits of not-for-profit organizations.

With over 30 years as a certified public accountant, she is a member of our Not-for-Profit Service Group. She also serves on the CBM Quality Assurance Committee. Holly is responsible for planning and supervising audit and tax engagements primarily in the not-for-profit area, including those organizations requiring OMB Circular A-133 engagements. In addition, Holly provides tax services to individuals and small businesses.

PROFESSIONAL QUALIFICATIONS AND EDUCATION

- Certified Public Accountant (CPA), Commonwealth of Virginia, State of Maryland and the District of Columbia
- Bachelors of Science in Commerce, *with distinction*, University of Virginia

PROFESSIONAL ASSOCIATIONS AND ACTIVITIES

- American Institute of Certified Public Accountants (AICPA)
- Greater Washington Society of CPAs (GWSCPA)

ABYOT A. WONDIMU, CPA ENGAGEMENT SUPERVISOR

ABYOT A. WONDIMU, CPA

Abyot is a Supervisor with Councilor, Buchanan & Mitchell, PC (CBM) and has six years of public accounting and five years of corporate accounting experience. His experience includes general audits, reviews, compilations, tax preparation, and research and consulting services to organizations in the nonprofit industry.

Abyot has provided services to many types of not-for-profit organizations including national trade associations, charitable organizations, and 501(c)(3) organizations.



PROFESSIONAL QUALIFICATIONS AND EDUCATION

- Certified Public Accountant, Virginia
- Bachelor of Science in Applied Accounting, Oxford Brookes University, UK
- Bachelor of Art in Accounting, Addis Ababa University, Ethiopia

PROFESSIONAL ASSOCIATIONS AND ACTIVITIES

- American Institute of CPAs (AICPA)

- Greater Washington Society of CPAs (GWSCPA)

CIVIC AND BUSINESS ASSOCIATIONS

- Treasurer, Advantage Ethiopia, Kid's Tennis & Education Fund

MARIA LUCK SENIOR ACCOUNTANT

Maria is a senior accountant at Councilor, Buchanan & Mitchell, P.C. (CBM). She graduated from Arcadia University with a Bachelors of International Business and Culture, and she also graduated from the University of Maryland University College with a Masters in Accounting and Financial Management. Her experience includes auditing, tax preparation and research. She is involved in several industry concentrations including not-for-profit organizations, real estate/construction entities, individuals and private businesses.



PROFESSIONAL QUALIFICATIONS AND EDUCATION

- Bachelor of International Business and Culture, Arcadia University, PA
- Master of Science in Accounting and Financial Management, University of Maryland

PROFESSIONAL ASSOCIATIONS AND ACTIVITIES

- Greater Washington Society of CPAs
- MIT Enterprise Forum of Washington DC and Baltimore

PEER REVIEW LETTER



SYSTEM REVIEW REPORT

To the Shareholders of Councilor, Buchanan and Mitchell, P.C.
and the MACPA Peer Review Program

We have reviewed the system of quality control for the accounting and auditing practice of Councilor, Buchanan and Mitchell, P.C. (the firm) in effect for the year ended May 31, 2014. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*; audits of employee benefit plans and examinations of service organizations Service Organizations Control (SOC) 1 engagements.

In our opinion, the system of quality control for the accounting and auditing practice of Councilor, Buchanan and Mitchell, P.C. in effect for the year ended May 31, 2014, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Councilor, Buchanan & Mitchell, P.C. has received a peer review rating of *pass*.

Smith Elliott Kearns & Company, LLC

Hagerstown, Maryland
September 4, 2014