

Finance Committee Minutes March 14, 2016

MEMBERS PRESENT: Dwight L. Hicks, Richard W. Baker, David A. Scharoun
MEMBERS EXCUSED: Patricia Usherwood, George W. Chapman
MEMBERS ABSENT: None
STAFF PRESENT: Kathleen O'Brien
GUEST PRESENT: None

CALL TO ORDER

The March 14, 2016 Finance Committee Meeting was called to order at 4:48 pm by Chair Dwight Hicks. It was noted for the record that a quorum was present.

Moment of Silence:

At the request of Chairman Hicks, a moment of silence was observed.

APPROVAL OF PREVIOUS MINUTES

Chairman Hicks requested a motion to approve the February 2016 Finance Committee Meeting minutes. The motion was made by Dick Baker, seconded by Dave Scharoun, and unanimously approved.

FINANCE REPORT

Ms. O'Brien presented the February 2016 monthly financial statements. The Supplemental Information was also distributed.

The February 2016 Net Surplus before depreciation on page 3 is \$28,986, vs. the year to date budget of \$2,722. The Current Ratio is not calculated, as we have not completed the January 2016 fiscal year end statements.

The balance in the Captive Health Care account at February 29, 2016 is \$137,132.

PEACE, Inc. has currently saved over \$600,000.00 in insurance premiums by enrolling in a Captive Insurance Plan versus buying insurance on the open market.

The following items were available for review:

- All cost center Statements of Activity
- The First Niagara and M&T operating bank account reconciliations and the credit card statements for January 2016.

The CFO handed out a timeline for the Audit bid process this year. The CFO also handed out a copy of the previous "Request for Proposal", which will be reviewed by the Committee.

Dave Scharoun suggested that a member or members of the Finance Committee be present at the Bidder's conference. The Committee agreed and Kathleen will work with the Committee to schedule a date that will allow a member or members of the Committee to be present at the Bidder's Conference.

There was a question in the prior month's Finance Committee meeting regarding office supply purchases. The CFO reported that Staples is on the state bid list, and we can receive discounts from 10%-80%, depending on the items purchased.

The Line of Credit balance as of January 8, 2016 is \$512,000. CFO Ms. O'Brien anticipates the line being "paid off" within two months.

OLD BUSINESS: No old business

NEW BUSINEES: No new business

COMMUNITY CONCERNS: No community concerns

ADJOURNMENT

Chairman Hicks asked for a motion to adjourn. Dick Baker made a motion to adjourn; the motion was seconded by Dave Scharoun; all voted in favor, and the meeting was adjourned at 5:41 PM.

PEACE, INC.
 AUDIT RFP
 TIMELINE
 FOR SUMMER OF 2016

3/14/16	Finance Committee Meeting	Launch timeline and information at Finance Committee meeting
		Hand out prior RFP "Request for Proposal"
4/11/16	Finance Committee Meeting	Collect changes to "Request for Proposal", and incorporate into document
		Run ad
		Collect names of responding firms
5/18/16	Finance Committee Meeting	Report list of respondents
		Contact respondents, and ask for questions for Bidders' Conference 6/29/16 by 6/22/16
6/22/16		Bidders' Conference
7/29/16		Proposals Due
August-September		Finance Committee to review proposals, and select firm
9/16/16		Notify firms of results

**P.E.A.C.E., INC.
MONTHLY FINANCIAL STATEMENTS
FOR FEBRUARY 2016**

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People's Equal Action and Community Effort, Inc.
Statement of Financial Position
AS OF FEBRUARY 29, 2016

①

AS OF
FEBRUARY 29, 20

ASSETS	
CURRENT ASSETS	
Cash	669,054
Receivables	1,173,265
Prepaid Expenses	9,464
Inventory	105,859
Other Assets	52,024
Total CURRENT ASSETS	<u>2,009,666</u>

PROPERTY	
Land	200,500
Buildings	2,742,270
Leasehold Improvements	4,599,427
Vehicles	2,623,922
Equipment	1,045,043
Construction In Progress	0
Accumulated Depreciation	(8,869,722)
Total LONG TERM ASSETS	<u>2,341,440</u>
Total ASSETS	<u><u>4,351,105</u></u>

People's Equal Action and Community Effort, Inc.
Statement of Financial Position
 AS OF FEBRUARY 29, 2016

AS OF
 FEBRUARY 29, 20

LIABILITIES & NET ASSETS

CURRENT LIABILITIES

Accounts Payable Trade	229,327
Short Term Borrowings	870,000
Accrued Payroll & Related Liabilities	169,236
Accrued Compensated Absences	266,264
Accrued Expenses	2,833
Deferred Revenue	253,687
Custodial Accounts	164
Deposits	375
Total	1,791,886

LONG TERM LIABILITIES

Long Term Mortgage Payable	0
Total LONG TERM MORTGAGE PAYABLE	0

NET ASSETS

Unrestricted	2,558,565
Temporarily Restricted	654
Total NET ASSETS	2,559,219

Total LIABILITIES

4,351,105

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People's Equal Action and Community Effort, Inc.
Statement of Activities
For One Month Ending February 29, 2016

	Annual Budget	Year To Date Budget	Current Year Year To Date	Prior Year Actual Year To Date
REVENUE:				
Direct Contributions & Fundraising	\$ 216,387	\$ 18,032	\$ 14,221	\$ 13,366
Government Agencies	17,583,772	1,465,314	801,980	843,423
Rental Income	60,935	5,078	5,179	5,102
Service Fees	768,514	64,043	26,413	35,833
Service Fees - Energy & Housing Fee for Service	432,053	36,004	-	-
In-Kind Revenue	3,203,877	266,990	134,613	129,532
Dividend, Interest & Other Income	145	12	201	3
Total	22,265,682	1,855,473	982,607	1,027,259
EXPENSES				
Salaries	10,507,922	875,660	418,570	407,183
Payroll Taxes & Fringe Benefits	3,275,774	272,981	185,423	193,132
Professional Fees & Contract Services	1,008,808	84,067	9,641	6,306
Conferences & Travel	330,642	27,553	7,762	11,361
Occupancy Costs	1,154,314	96,192	80,418	131,627
Consumable Supplies	1,629,832	135,819	83,825	87,774
Equipment Expense	207,653	17,304	6,096	5,161
Insurance	312,522	26,043	-	16,815
Telephone	159,232	13,269	11,588	11,434
Printing, Postage & Dues	102,429	8,535	10,188	2,223
Vehicle Maintenance	228,897	19,075	3,781	2,139
Interest Expense	7,000	583	1,356	301
Other Costs & Loss on Disposals	104,155	8,679	359	(6,002)
In-Kind	3,203,877	266,990	134,613	129,532
Total	22,233,055	1,852,751	953,621	998,986
NET SURPLUS (DEFICIT)	32,627	2,722	28,986	28,273
DEPRECIATION				
Buildings & Leasehold Improvements	(185,117)	(15,426)	(15,453)	(23,465)
Equipment, Vehicles, and Software	(163,202)	(13,600)	(16,054)	(20,383)
Total	(348,319)	(29,027)	(31,508)	(43,848)
CHANGE IN NET ASSETS	\$ (315,692)	\$ (26,304)	\$ (2,522)	\$ (15,575)

People's Equal Action and Community Effort, Inc.
Statement of Activities
For One Month Ending February 29, 2016

	Fundraising	Non-Allocable	Indirect Pool	Trans & Maint
REVENUE:				
Direct Contributions & Fundraising	20			
Government Agencies				
Rental Income				
Service Fees			681	3,088
Service Fees - Energy & Housing Fee for Service				
In-Kind Revenue	200			
Dividend, Interest & Other Income	200		681	3,088
Total	20	200	681	3,088
EXPENSES				
Salaries			51,342	
Payroll Taxes & Fringe Benefits			18,167	96
Professional Fees & Contract Services			1,100	374
Conferences & Travel			10,970	785
Occupancy Costs		(1)	-	505
Consumable Supplies			365	8
Equipment Expense			-	
Insurance			1,120	502
Telephone			-	
Printing, Postage & Dues			21	(2,270)
Vehicle Maintenance				
Interest Expense	1	1,356	(93,084)	
Other Costs & Loss on Disposals		(9,878)	681	3,088
In-Kind	1	(8,523)	681	3,088
NET SURPLUS (DEFICIT)	19	8,723	-	-
DEPRECIATION				
Buildings & Leasehold Improvements		(15,453)		
Equipment, Vehicles, and Software		(16,038)		
Total	-	(31,491)	-	-
CHANGE IN NET ASSETS	19	(22,768)	-	-

People's Equal Action and Community Effort, Inc.
Statement of Activities
For One Month Ending February 29, 2016

	Grants	Rental Properties	Other
REVENUE:			
Direct Contributions & Fundraising			14,201
Government Agencies	801,980		
Rental Income		5,179	26,413
Service Fees			-
Service Fees - Energy & Housing Fee for Service	130,237		607
In-Kind Revenue	1		-
Dividend, Interest & Other Income			-
Total	932,218	5,179	41,221
EXPENSES			
Salaries	337,500	351	29,377
Payroll Taxes & Fringe Benefits	155,162	351	11,744
Professional Fees & Contract Services	9,511	(36)	70
Conferences & Travel	6,254		35
Occupancy Costs	56,984	1,173	10,506
Consumable Supplies	116,270		(32,949)
Equipment Expense	5,722		-
Insurance	-		-
Telephone	9,648	5	314
Printing, Postage & Dues	3,474		6,714
Vehicle Maintenance	5,800		230
Interest Expense	-		-
Other Costs & Loss on Disposals	86,561	80	6,680
In-Kind	130,237		607
	923,123	1,923	33,327
NET SURPLUS (DEFICIT)	9,095	3,256	7,893
DEPRECIATION			
Buildings & Leasehold Improvements			-
Equipment, Vehicles, and Software		(16)	(1)
Total	-	(16)	(1)
CHANGE IN NET ASSETS	9,095	3,240	7,893

PEACE, INC.
CURRENT RATIO
AS OF FEBRUARY 29, 2016

	CURRENT ASSETS	CURRENT LIABILITIES	CURRENT RATIO	DIFFERENCE IN DOLLARS
1/31/05	2,029,803	2,184,993	92.90%	(155,190)
1/31/06	1,589,391	1,792,909	88.65%	(203,518)
1/31/07	1,775,617	1,891,171	93.89%	(115,554)
1/31/08	2,321,076	2,355,826	98.52%	(34,750)
1/31/09	1,576,343	1,754,019	89.87%	(177,676)
1/31/10	3,286,876	3,284,011	100.09%	2,865
1/31/11	3,744,177	3,531,750	106.01%	212,427
1/31/12	2,306,292	1,886,324	122.26%	419,968
1/31/13- FIRST CLOSE	1,949,478	1,278,319	152.50%	671,159
1/31/14 - FIRST	1,493,007	895,712	166.68%	597,295
1/31/15 FINAL	2,679,027	2,135,917	125.43%	543,110
NOT CALCULATED DUE AS 1/31/15 NOT CLOSED FOR FISCAL YEAR END				
2/28/15	2,237,043	1,697,920	131.75%	539,123
3/31/15	1,827,041	1,271,295	143.71%	555,746
4/30/15	1,779,511	1,206,455	147.50%	573,056
5/31/15	1,756,219	1,174,074	149.58%	582,145
6/30/15	1,726,384	1,163,882	148.33%	562,502
7/31/15	1,674,443	1,149,687	145.64%	524,756
8/31/15	1,804,534	1,224,188	147.41%	580,346
9/30/15	2,105,372	1,503,885	140.00%	601,487
10/31/15	2,285,790	1,657,816	137.88%	627,974
11/30/15	1,799,419	1,148,625	156.66%	650,794
12/31/15	2,312,267	1,667,694	138.65%	644,573
1/31/16 FIRST CLOSE				
2/29/16				
NOT CALCULATED DUE AS 1/31/16 NOT CLOSED FOR FISCAL YEAR END				

AS OF:

PEACE, INC.
 FINANCIAL STATEMENT NOTES AND COMMENTS
 AS OF FEBRUARY 29, 2016

CURRENT RATIO STATUS

We are still in the process of closing the year ending January 31, 2016. Because the revenue and receivables are not finalized as of January 31, the carry forward balance of the receivables is not reflective of the final values once the year end is closed.

Therefore, the current ratio is not presented for 2/16.

NET SURPLUS (DEFICIT) BEFORE DEPRECIATION

The budgeted net income before depreciation year to date is \$2,722 and actual is \$28,986. The change in net assets after depreciation is (\$2,522).

An overview of the components making up this \$712,943 is:

<i>From Normal Operations:</i>	
Senior Nutrition	25,332
Non-Allocable	8,723
Centro and SCSD Parent Liaison	2,531
Rental Properties	3,256
Energy & Housing Fee for Service	15
Fundraising	19
Other	3,407
Includes HCR Temporarily restricted inc & exp,	
Capital Improve/Repair Expenses, Program Income	
Indirect Cost not allowed on grant	(7,981)
	<u>35,302</u>
<i>From "Timing Differences" (over period of more than one year the net effect is \$0)</i>	
Fixed Asset Purchases	(6,316)
Special Donation Accounts	(6,316)
	<u>28,986</u>

LINE OF CREDIT

BALANCE BEGINNING OF MONTH \$ (400,000.00)

2/25/16 DRAW (470,000.00)

BALANCE AT END OF MONTH
\$ (870,000.00)

Current month interest expense \$ 1,395.14

Date interest paid 2/29/16

CAPITAL IMPROVEMENT/REPAIR CASH ACCOUNT

Balance at Beginning of Month \$ 295,220.28

Deposits:

Balance at End of Month
\$ 295,220.28

INDIRECT RATE

The final rate for the year ending 1/31/15 is 24.4%
The provisional rate for the year ending 1/31/16 is 24.7%

2/16 22.72%
2/15 26.72%

ANALYSIS OF IN-KIND AND HEAD START ADMINISTRATIVE RATES:

Unless otherwise stated, the booked In-Kind includes entries are through the previous month, due to the quick close of financial statements each month. Therefore, the In-Kind below includes an estimate for the current month based on actual for the prior month.

IN-KIND (MAJOR GRANTS)	IN-KIND	EXPENDITURES	%	REQUIRED
2403 Head Start	140,231	369,817		
2503 Early Head Start	103,277	112,924		
TOTAL HS & EHS	243,508	482,740	0.50	0.25

This is the end of the summer months when many classes are not in session, so In-Kind should increase with new school year.

4012 CSBG (10/15-9/16)	1,748,926	599,202	2.92	0.25
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ADMINISTRATIVE RATE

HEAD START
ADMIN. RATE (NOT TO EXCEED)
REQUIRED

2403 Head Start (2/16 - 1/17)	0.11
2503 Early Head Start (2/16-1/17)	0.09

WEATHERIZATION FEE FOR SERVICE PROGRAMS

Net income for Fee for Service programs is:

	Current Month	Year To Date
9120 Assisted Home Performance	15	15
9125 Empower New York	-	-
9310 DEHS Fee for Service	-	-
9600 Multifamily Performance	-	-
	15	15

ACCRUAL ACCOUNTING

We are accruing invoices for not only the indirect pool, but also any projects that are not cash basis. This includes projects such as the rental locations and temporarily restricted accounts, waiting for year end.

DEPRECIATION

Purchases with grant funds - we recognize the revenue when we purchase the fixed asset. Then in subsequent years, we must reflect the depreciation as an expense that hits our "Change in Net Assets".

Purchases made with unrestricted funds or from non grant sources are analyzed to determine how much of the depreciation expense can be covered by the grants. Because the grant resources are so tight, this is not always accomplished.

PEACE, INC.
CAPTIVE HEALTH CARE PREMIUMS AND EXPENDITURES
AS OF FEBRUARY 29, 2016

Captive Health began October 2014

10/14 - 1/15	Feb 15	Mar 15	Apr 15	May 15	Jun 15	Jul 15	Aug 15
608,166.54	153,004.81	150,968.42	150,418.05	147,280.89	140,841.51	172,295.34	162,465.94
			100,000.00	89,469.11	112,958.49	(44,295.34)	(46,023.73)
608,166.54	153,004.81	150,968.42	250,418.05	236,750.00	253,800.00	128,000.00	116,442.21

ADDITIONAL PAYMENTS FROM PEACE

19,654.74	11,248.25	27,253.60	57,447.40	27,755.06	18,199.30	14,394.80	8,625.23
60,331.32	2,549.15	24,307.35	28,526.15	36,830.00	38,042.86	18,274.25	28,472.66
52,072.71	16,172.85	25,963.13	95,274.95	30,864.31	104,174.11	7,661.63	7,174.05
92,443.17	91,005.56	32,273.45	46,935.80	68,307.59	68,839.76	18,267.21	11,236.98
8,124.64			49,270.41			15,435.28	
					(70,481.65)		(117,593.11)
232,626.59	120,975.81	109,797.53	277,454.71	163,756.96	158,774.36	74,033.17	(62,084.19)

Reimbursement from Roundstone - over Cap

27,471.25	7,209.64	8,944.54	7,510.20	8,204.80	8,596.94	9,712.17	14,468.81
36,668.38	13,680.69	14,520.08	19,153.98	30,706.72	21,918.36	31,288.52	9,755.04
7,407.09							
71,546.63	20,890.33	23,464.62	26,664.18	38,911.52	30,515.30	41,000.69	24,223.85

104,909.87	27,563.59	27,000.96	26,579.07	26,719.70	27,000.96	25,955.28	26,395.20
49,256.00	12,576.00	12,838.00	12,248.50	12,248.50	12,838.00	11,069.50	11,593.50

37.49							
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458,376.57	182,005.73	173,101.11	342,946.46	241,636.68	229,128.64	152,058.64	128.36
149,789.97	(29,000.92)	(22,132.69)	(92,528.41)	(4,886.68)	24,671.36	(24,058.64)	116,313.85
	120,789.05	98,656.36	6,127.95	1,241.27	25,912.63	1,853.99	118,167.84

658,272.07	165,582.64	144,438.14	144,438.14	149,539.70	160,208.60	151,969.11	143,877.30
118,488.97	29,804.88	25,998.87	25,998.87	26,917.15	28,837.55	27,354.44	25,897.91
776,761.04	195,387.52	170,437.01	170,437.01	176,456.85	189,046.15	179,323.55	169,775.21

608,166.54	153,004.81	150,968.42	150,418.05	147,280.89	140,841.51	172,295.34	116,442.21
			100,000.00	89,469.11	112,958.49	(44,295.34)	
608,166.54	153,004.81	150,968.42	250,418.05	236,750.00	253,800.00	128,000.00	116,442.21

166,594.50	42,382.71	19,468.59	(79,981.04)	(60,293.15)	(64,753.85)	51,323.55	53,333.00
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PEACE, INC.
CAPTIVE HEALTH CARE PREMIUMS AND EXPENDITURES
AS OF FEBRUARY 29, 2016

Captive Health began October 2014

LIFE TO DATE
TOTAL

PREMIUMS 161,623.42 150,460.03 153,268.43 155,678.18 153,689.69 155,795.99 2,615,957.24

ADDITIONAL PAYMENTS FROM PEACE

TOTAL DEPOSITS 99,974.92 153,268.43 155,678.18 153,689.69 155,795.99 2,615,957.24

Weekly Claims

Week 1	7,956.53	6,919.71	23,632.62	28,852.85	6,866.40	10,566.15	269,372.64
Week 2	7,420.95	8,898.63	7,748.50	24,050.62	8,685.34	10,452.81	304,500.59
Week 3	36,074.87	15,137.63	5,402.89	6,556.75	10,543.95	33,821.89	446,895.72
Week 4	4,257.53	22,679.39	21,335.28	9,634.23	13,987.33	19,894.75	521,198.03
Week 5	18,625.60	15,498.75	3,524.83				110,479.51
Reimbursement from Roundstone - over Cap	(61,476.70)	69,044.11	58,119.29	72,619.28	40,083.02	74,835.60	(249,551.46)
	12,858.78						1,402,895.03

Biweekly Non-Claims

1st Biweek	7,429.02	10,559.46	6,938.65	8,346.90	3,998.35	7,258.17	136,648.90
2nd Biweek	17,207.35	14,135.14	11,226.77	16,069.59	27,636.80	11,301.42	275,268.84
3rd Biweek	24,636.37	24,694.60	18,165.42	24,416.49	31,635.15	18,559.59	7,407.00
							419,324.74

Stop Loss

23,169.12 24,928.80 25,368.72 23,609.04 26,248.56 25,368.72 440,817.59

TPA Fee

10,742.00 11,331.50 11,790.00 9,890.50 12,314.00 11,462.50 202,198.50

ACA Trans Reimbursement

13,552.00 37.49

Printing fee for deposit slips

2,478,825.35

TOTAL EXPENDITURES

71,406.27 129,999.01 113,443.43 130,535.31 123,832.73 130,226.41 2,478,825.35

CHANGE FOR MONTH

(71,406.27) (30,024.09) 39,825.00 25,142.87 29,855.96 25,569.58 137,131.89

CASH BALANCE

46,761.57 16,737.48 56,562.48 81,705.35 111,562.31 137,131.89

COMPARISON WITH OLD RATES:

PREMIUMS FROM 1 YEAR AGO (2 YR AS OF 10/15)

146,945.09 157,066.37 164,487.49 164,106.78 165,203.34 164,025.93 2,684,160.70

ADD: 18% ANTICIPATED INCREASE

26,450.12 47,119.91 49,346.25 49,232.03 50,761.00 49,207.78 581,415.71

TOTAL PRIOR YEAR PREMIUM WITH ANTICIPATED INCREASE

173,395.21 204,186.28 213,833.74 213,338.81 215,964.34 213,233.71 3,265,576.41

PREMIUMS PAID INTO ACCOUNT

161,623.42 150,460.03 153,268.43 155,678.18 153,689.69 155,795.99 2,569,933.51

ADD: ADDITIONAL DEPOSITS MADE TO COVER CLAIMS

(161,623.42) (50,485.11) 99,974.92 153,268.43 155,678.18 155,795.99 46,023.73

TOTAL PAYMENTS TO FUND

- 99,974.92 153,268.43 155,678.18 153,689.69 155,795.99 2,615,957.24

SAVINGS

173,395.21 104,211.36 60,565.31 57,660.63 66,274.65 57,437.72 649,619.17

PEACE, INC.
 COMPARATIVE INFORMATION BY PROGRAM
 AS OF FEBRUARY 29, 2016

CC	REVENUE			NET			PROGRAM
	ANNUAL BUDGET	YTD BUDGET	YTD ACTUAL	ANNUAL BUDGET	YTD BUDGET	YTD ACTUAL	
3555 BBBS OSWEGO	6,925.00	577.08	576.94	(1,130.97)	(94.24)	(116.68)	BBBS
3610 BBBS THORN FAMILY FOUND	-	-	177.42	-	-	-	BBBS
3611 BBBS JOHN BEN SNOW	7,000.00	583.33	459.72	-	-	-	BBBS
3652 BBBS ONONDAGA CO.	11,866.00	988.83	738.73	(2,281.85)	(190.15)	(149.79)	BBBS
4012-554 CSBG	218,209.70	18,184.14	18,641.08	-	-	-	BBBS
9137 BBBS UNITED WAY	37,233.00	3,102.75	3,322.04	-	0.02	-	BBBS
	281,233.70	23,436.13	23,915.93	(3,412.82)	(284.37)	(266.47)	
152 CAPITAL IMPROVE/REPAIR	120.00	10.00	-	(1,880.00)	(156.66)	-	CAPITAL IMPROVE
	120.00	10.00	-	(1,880.00)	(156.66)	-	
9082 CENTRO	768,513.90	64,042.82	26,412.76	69,864.90	5,822.09	2,401.16	CENTRO
	768,513.90	64,042.82	26,412.76	69,864.90	5,822.09	2,401.16	
4012-502 CSBG	99,357.96	8,279.83	16,662.37	-	-	-	COMM SVC
4012-530 CSBG	95,438.75	7,953.22	25.89	-	-	-	COMM SVC
4012-532 CSBG	160,827.41	13,402.28	7,398.96	-	-	-	COMM SVC
4012-533 CSBG	118,034.74	9,836.22	9,942.61	-	-	-	COMM SVC
4012-534 CSBG	177,116.24	14,759.68	8,706.10	-	-	-	COMM SVC
4012-535 CSBG	187,716.00	15,642.99	13,088.60	-	-	-	COMM SVC
4012-536 CSBG	146,382.33	12,198.51	10,386.88	-	-	-	COMM SVC
4012-537 CSBG	279,259.41	23,271.61	10,867.23	-	-	-	COMM SVC
4140 UNITED WAY EITC	70,000.00	5,833.33	15,511.29	-	0.04	-	COMM SVC
4143 HPNAP	6,541.84	545.15	556.24	-	0.01	-	COMM SVC
5101 WEST & CNY HEALTH FOUND	-	-	15,000.00	-	-	-	COMM SVC
9410 IND DEV ACCT	1,340,674.68	111,722.82	108,146.17	-	0.05	-	COMM SVC
9015 CEFRC	-	-	343.00	-	-	343.00	DONATIONS
9040 CW SPECIAL DONATIONS	-	-	-	-	-	-	DONATIONS
9260 FGP RECOGNITION	-	-	-	-	-	-	DONATIONS
9500 MISC - HS	-	-	50.00	-	-	28.47	DONATIONS

PEACE, INC.
 COMPARATIVE INFORMATION BY PROGRAM
 AS OF FEBRUARY 29, 2016

CC	REVENUE		NET		PROGRAM
	ANNUAL BUDGET	YTD ACTUAL	ANNUAL BUDGET	YTD ACTUAL	
9506					DONATIONS
9508					DONATIONS
10801				2.68	DONATIONS
10802					DONATIONS
10804		44.80		(186.72)	DONATIONS
10805					DONATIONS
10806					DONATIONS
10807					DONATIONS
10810		1,615.00		446.00	DONATIONS
10816					DONATIONS
10819					DONATIONS
10822					DONATIONS
10823					DONATIONS
10826					DONATIONS
10828					DONATIONS
10829				(6,713.81)	DONATIONS
10832		20.00		20.00	DONATIONS
10834					DONATIONS
10835					DONATIONS
10839					DONATIONS
10842					DONATIONS
10844					DONATIONS
10845					DONATIONS
10850		140.00		140.00	DONATIONS
10851					DONATIONS
10854		95.64		(72.17)	DONATIONS
10856		100.00		96.88	DONATIONS
10860					DONATIONS
10861					DONATIONS
10863					DONATIONS
10864					DONATIONS
10866					DONATIONS
10867					DONATIONS
10868					DONATIONS
10870					DONATIONS
10871					DONATIONS
10875				(420.00)	DONATIONS

PEACE, INC.
 COMPARATIVE INFORMATION BY PROGRAM
 AS OF FEBRUARY 29, 2016

CC	REVENUE			NET			PROGRAM
	ANNUAL BUDGET	YTD BUDGET	YTD ACTUAL	ANNUAL BUDGET	YTD BUDGET	YTD ACTUAL	
9120 ASSIST HOME PERF	-	-	-	-	-	14.75	E&H FFS
9125 EMPOWER	384,456.67	32,038.05	-	2,682.33	223.55	-	E&H FFS
9310 DEHS FEE FOR SERVICE	47,596.32	3,966.35	-	20,839.06	1,736.75	-	E&H FFS
9600 MULTI FAMILY PERF	-	-	-	-	-	-	E&H FFS
	432,052.99	36,004.40	2,408.44	23,521.39	1,968.30	14.75	
3817 EASTWOOD OFA	25,000.00	2,083.33	2,596.94	-	0.01	-	EASTWOOD
4012-584 CSBG	154,489.45	12,874.12	13,957.60	-	-	-	EASTWOOD
	179,489.45	14,957.45	16,554.54	-	0.01	-	
3011 UW START/STAY HEALTHY	45,575.00	3,797.91	4,533.77	-	-	-	FGP
3312 FGP CNCS	59,182.00	4,931.83	10,820.46	-	0.02	-	FGP
3313 FGP CNCS	393,126.00	32,760.50	26,487.62	-	0.04	-	FGP
3342 FGP CNYDSO	-	-	97.67	-	-	-	FGP
3352 SYR CITY SCHOOL FGP	350,000.00	29,166.66	17,886.87	-	0.02	-	FGP
3355 SCSO PARENT LIAISON	60,000.00	5,000.00	1,433.04	5,455.00	454.59	130.28	FGP
3356 SCSO PARENT LIAISON	-	-	55.92	-	-	-	FGP
3361 FGP ELMCREST	5,778.00	481.50	1,164.22	-	0.02	-	FGP
3490 NYS OFFICE FOR THE AGING	913,661.00	76,138.40	62,479.57	5,455.00	454.69	130.28	FGP
1700 FOOD SERVICES	-	-	607.00	-	-	-	FOOD SVC
3232 FSD OFA	-	-	(22.80)	-	1.00	(22.80)	FOOD SVC
3233 FSD OFA	508,818.24	42,401.52	41,473.54	(140,887.17)	(11,740.53)	13,562.05	FOOD SVC
4012-581 CSBG	232,551.51	19,379.29	16,470.91	-	-	-	FOOD SVC
9360 FOOD SERV - MEAL CONTR	140,887.17	11,740.59	11,792.46	140,887.17	11,740.59	11,792.46	FOOD SVC
9380 FOOD SERV DIVISION	882,256.92	73,521.40	70,321.11	-	1.06	25,331.71	FOOD SVC
100 FUNDRAISING	75,500.00	6,291.66	20.00	50,481.30	4,206.86	19.12	FUND

PEACE, INC.
 COMPARATIVE INFORMATION BY PROGRAM
 AS OF FEBRUARY 29, 2016

CC	REVENUE			NET			PROGRAM
	ANNUAL BUDGET	YTD BUDGET	YTD ACTUAL	ANNUAL BUDGET	YTD BUDGET	YTD ACTUAL	
	75,500.00	6,291.66	20.00	50,481.30	4,206.86	19.12	
3131 DHCR - LANDLORD CONTR							HCR
3177 HCR	2,019,815.00	168,317.91	81,343.62	(92,612.00)	(7,717.59)	(4,308.09)	HCR
	2,019,815.00	168,317.91	81,343.62	(92,612.00)	(7,717.59)	(4,308.09)	
2092 USDA CACFP	465,957.00	38,829.75	44,614.04	-	0.07	-	HS
2403 HEAD START	10,490,158.00	874,179.82	439,932.19	-	0.18	-	HS
2453 HS T&TA	73,451.00	6,120.91	650.36	-	0.01	-	HS
2503 EARLY HEAD START	3,596,142.00	299,678.50	164,562.06	-	0.18	-	HS
2552 EHS T&TA	70,651.00	5,887.58	-	-	0.04	-	HS
2553 EHS T&TA	-	-	398.37	-	-	-	HS
2602 SYR CITY UPK	374,400.00	31,200.00	15,586.17	-	0.04	-	HS
2702 LAFAYETTE UPK	6,875.00	572.91	412.89	-	0.03	-	HS
2802 SCSO EPK	-	-	2,768.35	-	-	-	HS
	15,077,634.00	1,256,469.47	668,924.43	-	0.55	-	
1010 MAIN OFFICE	-	-	299.72	(255,077.00)	(21,256.33)	(14,169.20)	INDIRECT POOL
1014 SUPPLEMENTAL COSTS	-	-	-	(109,134.45)	(9,094.51)	-	INDIRECT POOL
1020 EXECUTIVE OFFICE	-	-	-	(315,167.43)	(26,263.88)	(12,318.40)	INDIRECT POOL
1030 HR	-	-	-	(363,770.57)	(30,314.15)	(14,172.89)	INDIRECT POOL
1040 FISCAL	-	-	-	(737,557.63)	(61,463.06)	(27,170.17)	INDIRECT POOL
1070 MIS	-	-	381.19	(155,044.80)	(12,920.34)	(5,961.88)	INDIRECT POOL
1080 PROGRAM OVERSIGHT	-	-	-	(268,368.21)	(22,363.96)	(11,078.61)	INDIRECT POOL
1090 BOARD OF DIRECTORS	-	-	-	(20,233.75)	(1,686.10)	-	INDIRECT POOL
1095 INDIRECT POOL ALLOCATION	-	-	680.91	2,224,353.84	185,362.82	84,871.15	INDIRECT POOL
	-	-	-	-	0.49	-	
150 NON-ALLOCABLE	25.00	2.08	200.00	(21,225.00)	(1,768.72)	8,722.79	NON-ALLOC
153 NON-ALLOCABLE DEPREC	-	-	-	(348,127.12)	(29,010.57)	(31,491.00)	NON-ALLOC
	25.00	2.08	200.00	(369,352.12)	(30,779.29)	(22,768.21)	

PEACE, INC.
 COMPARATIVE INFORMATION BY PROGRAM
 AS OF FEBRUARY 29, 2016

CC	REVENUE			NET			PROGRAM
	ANNUAL BUDGET	YTD BUDGET	YTD ACTUAL	ANNUAL BUDGET	YTD BUDGET	YTD ACTUAL	
3751 OPWDD	137,063.00	11,421.91	2,262.74	-	0.06	-	PROJ CONN
3752 OPWDD	-	-	5,147.16	-	-	-	PROJ CONN
4012-552 CSBG	11,335.33	944.61	1,849.15	-	-	-	PROJ CONN
	148,398.33	12,366.52	9,259.05	-	0.06	-	
3475 OFA N'HOOD ADV	35,000.00	2,916.66	2,580.30	-	0.01	-	PROJ ROSE
3476 OFA EISEP	40,500.00	3,375.00	3,063.20	-	0.01	-	PROJ ROSE
4012-311 CSBG	9,872.66	822.72	-	-	-	-	PROJ ROSE
	85,372.66	7,114.38	5,643.50	-	0.02	-	
7020 TULLY	4,125.00	343.75	375.00	581.00	48.45	367.37	RENTALS
7042 TULLY - ARISE	5,984.00	498.66	544.00	4,865.05	405.44	400.71	RENTALS
7100 BASSETT - DEC	50,825.76	4,235.48	4,260.04	9,760.04	813.37	2,889.02	RENTALS
7120 BASSETT - SYR PRE-K	-	-	-	(12,963.54)	(1,080.24)	(417.45)	RENTALS
	60,934.76	5,077.89	5,179.04	2,242.55	187.02	3,239.65	
1500 TRANSPORTATION	-	-	-	-	-	-	TRANS & MAINT
1600 MAINTENANCE	-	-	3,087.98	-	0.12	-	TRANS & MAINT
	-	-	3,087.98	-	0.10	-	
9813 YEAR END ACCRUALS	-	-	(101,970.31)	-	-	-	Y/E ACCRUALS
	-	-	(101,970.31)	-	-	-	
	22,265,682.39	1,855,473.33	982,606.74	(315,691.80)	(26,304.49)	(2,521.77)	
	22,265,682.00	1,855,473.00	982,607.00	(315,692.00)	(26,304.00)	(2,522.00)	
	0.39	0.33	(0.26)	0.20	(0.49)	0.23	

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NOTE: All cost center Statement of Activities are available for all Finance Committee and Board Meetings
A copy of the Fiscal Policy and Procedure manuals is present at all Finance Committee and Board Meetings.
Note - there are no Finance Committee or Board meetings during the months of July and August.

UNRELATED BUSINESS INCOME (TO BE UPDATED PERIODICALLY)

OUTSIDE OF COUNTY:

BBBS OSWEGO CO. GRANT
MULTIFAMILY PERFORMANCE PROGRAM

NOT UNRELATED BUSINESS PER AUDITORS

OUTSIDE OF LOW INCOME GUIDE:

ASSISTED HOME PERFORMANCE

TOTAL

TOTAL REVENUE

%

GUIDE - % OF ALL REVENUE

-
982,607
0%
15% - 30%

BANK ACCOUNTS

BANK	DESCRIPTION	G/L ACCT #	BALANCE AT MONTH END	MONTH LAST RECONCILED
FIRST NIAGARA	Operating	01-1000-00000	178,798.11	2/16
M&T	Tully Mortg. Pmt	01-1002-00000	-	1/16 CLOSED 8/15
KEY BANK	DHCR Landlord Contr.	01-1004-00000	17,007.41	1/16
SYRACUSE CREDIT UNION	Indiv. Devel. Acct.	01-1007-00000	7,253.74	1/16 Qtrly Statements
M&T	Operating for HS	01-1010-00000	26,272.63	2/16
FIRST NIAGARA	Capital Improvement/Repair Account	01-1012-00000	295,220.28	1/16
FIRST NIAGARA	Health Captive Account	01-1015-00000	137,131.89	1/16
All Petty Cash			7,370.00	
			<u>669,054.06</u>	

NOTE: The two main operating accounts for First Niagara and M&T are reconciled before statements are released for the month. The remaining account reconciliations are due by the end of the subsequent month, with the exception of Syracuse Credit Union who changed to quarterly statements. The reconciliation for the quarterly statement is due at the end of the subsequent month.

REVIEW OF OPERATING CASH ACCOUNTS AND CREDIT CARD STATEMENTS:

OPERATING CASH ACCOUNTS:	REVIEWER	JANUARY
FIRST NIAGARA	GEORGE CHAPMAN	AVAIL
M&T	GEORGE CHAPMAN	AVAIL

The above operating bank account reconciliations are presented to the Finance Committee, and a committee member initials upon review. The reconciliations are presented for the prior month, as we close and present monthly financial statements so quickly.

(2)

CREDIT CARD STATEMENTS:

FIRST NIAGARA (OPERATING) GENERAL PURCHASES	3544	GEORGE CHAPMAN	<u>AVAIL</u>
FIRST NIAGARA (DMV) VEHICLE REGISTRATIONS	5953	DICK BAKER	<u>AVAIL</u>
HOME DEPOT USED BY E&H, MAINTENANCE	-5148	DAVE SCHAROUN	<u>AVAIL</u>
WEGMANS USED BY HEAD START, FOOD SERVICES	VARIOUS	DWIGHT HICKS	<u>AVAIL</u>
VALVOLINE USED BY VARIOUS DIRECTORS - OIL CHANGES	-4050-6	DICK BAKER	<u>AVAIL</u>

The above credit card statements are presented to the Finance Committee, and a committee member initials upon review. The credit card statements are for the prior month as we close the books quickly.

OTHER TO REVIEW:

Cost Allocation - annual review	1/11/16	<u>FINANCE COMMITTEE REVIEW</u>
NYS Vendor Responsibility Questionnaire (annual) Copy available for review	1/11/16	
Cash Receipts - periodic	10/20/2014	
Cash Disbursements - periodic	10/20/2014	

AGED ACCOUNTS RECEIVABLE AS OF 1/31/16

NOTE: Not prepared as still in the process of finalizing the January 31, 2016 financial statements for year end.

AGED ACCOUNTS PAYABLE AS OF 2/29/16

	TOTAL	CURRENT	1-30	31-60	61-90	90 +
<u>M&T BANK</u>	937.76	937.76	-	-	-	-
%	N/A	N/A	N/A	N/A	N/A	N/A

Description of items over 90 days old:

None _____
 # of invoices over 90 days old 0

FIRST NIAGARA

	248,037.27	55,835.29	156,207.80	35,994.18	-	-
	100%	23%	63%	15%	0%	0%

Description of items over 90 days old:

None _____
 # of invoices over 90 days old 0

ACCOUNTING AND FINANCIAL POLICIES AND PROCEDURES MANUAL and TRAINING

The CFO will discuss the procedure to bid the audit function, which is on the calendar for this summer.

LEGAL ACTIONS

PEACE, Inc. was served a summons on 9/29/14 regarding AR Apartments, LLC. This is regarding the shared water/septic system and the shared driveway at our LaFayette Head Start location (PEACE, Inc. owns this site). AR Apartments, in general, is suing for two items. 1) Interest due of \$2,610.40 for a late repair bill payment and 2) \$26,599.60 for 1/2 of the costs related to driveway repairs and snow removal/salting from 2010-2013. At this time, per the advice of legal counsel and to show good faith negotiations, PEACE, Inc. is paying \$2,610.40.

On November 24, 2014 we were served with a complaint from a volunteer at Eastside Family Resource Center who fell while unloading a CNY Food Bank delivery truck. We have contacted Frant Price, Esq., and our insurance carrier. This incident will be covered by insurance. Our defense counsel, MacKenzie Hughes, filed a response on 12/12/14. Per correspondence from Mackenzie Hughes on 9/14/15, they believe exposure to PEACE, Inc. is slight to zero, as PEACE neither owned the truck or pallets involved.

TRIAL BALANCE AS OF FEBRUARY 29, 2016

Balance of Trial Balance at month end (should be \$0) Verified by CFO is \$0

Note: The report is long, so the CFO views the report online and verifies the balance is \$0. This report may be printed at any time if directed by the Board. There will be a copy presented periodically. The CFO prints the final preview page, reflecting the \$0 balance.

Presented: 9/14/09 FOR 8/31/09
3/8/10 FOR 2/28/10
1/10/11 FOR 12/10
10/17/11 FOR 9/11
3/12/12 for 2/12
9/10/12 for :
2/11/13 FOR 1/31/13 - FIRST CLOSE
9/9/13 FOR 8/13
10/20/14 FOR 9/14
11/9/15 FOR 10/15

VOUCHERING FOR ALL GRANTS

The CFO maintains a list of due dates for all grant vouchers.

All grant vouchers have been sent during the month Yes

If not, explain: _____

VOUCHERING FOR ALL OTHER BILLINGS (RENTS, CENTRO, ETC)

The CFO maintains a list of due dates for all vouchers.

All other vouchers have been sent during the month _____ **Yes**

If not, explain:

REQUIRED TAX FILINGS

The CFO has reviewed that all required tax filings have been submitted on time (payroll and corporate) _____ **Yes**

CASH FORECAST

We prepare as needed.

As of February 29, 2016 our line of credit balance was \$870,000.

The Head Start/Early Head Start meal counts.

	2/16 Quantity
Breakfast	6,839
Lunch	9,069
Snack	5,812
Total Attended	9,291

(6)

P.E.A.C.E., Inc.

Request for Proposal

For audit services

For the period

February 1, 2011 – January 31, 2016

Inquiries and proposals should be directed to:

Name: Kathleen O'Brien

Title: CFO

P.E.A.C.E., Inc.

217 South Salina Street, 2nd Floor
Syracuse, NY 13202

Phone: 315 634-3722

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General Information

A. Purpose

This Request for Proposal (RFP) is to contract for a financial and compliance audit for the year ending January 31, 2012. The proposal includes options for four additional years.

B. Who May Respond

Only licensed Certified Public Accountants may respond to this RFP.

C. Bidder's Conference

P.E.A.C.E., Inc. will hold a bidder's conference on Monday, June 27, 2011 at 10:00 at our office at 217 South Salina Street, 2nd Floor, Syracuse, NY 13202. You must submit questions by June 23 end of day for the conference to Kathleen O'Brien (kobrien@peace-caa.org). Bidders are required to attend the conference to be considered for evaluation.

D. Instructions on Proposal Submission

1. Closing Submission Date: Proposals must be submitted no later than 4:30 p.m. on Wednesday, July 27, 2011.
2. Inquiries: Inquiries concerning this RFP should be directed to Kathleen O'Brien at 315 634-3722.
3. Conditions of Proposal: All costs incurred in the preparation of a proposal responding to this RFP will be the responsibility of the Offeror and will not be reimbursed by P.E.A.C.E., Inc.
4. Instructions to Prospective Contractors:

Your proposal should be addressed as follows:

Kathleen O'Brien
P.E.A.C.E., Inc.
217 South Salina Street, 2nd Floor
Syracuse, NY 13202

It is important that the Offeror's proposal be submitted in a sealed envelope clearly marked in the lower left-hand corner with the following information:

Request for Proposal
4:30 p.m. 7/27/11
Sealed Proposal
For Audit Services

Failure to do so may result in premature disclosure of your proposal.

It is the responsibility of the Offeror to insure that the proposal is received by P.E.A.C.E., Inc. by the date and time specified above.

Late proposals will not be considered.

5. Right to Reject: P.E.A.C.E., Inc. reserves the right to reject any and all proposals received in response to this RFP. A contract for the accepted proposal will be based upon the factors described in this RFP.

6. Small and/or Minority-Owned Businesses: Efforts will be made by P.E.A.C.E., Inc. to utilize small businesses and minority-owned businesses. An Offeror qualifies as a small business firm, if it meets the definition of "small business" as established by the Small Business Administration (13 CFR 121.201).

7. Notification of Award:

- It is expected that a decision selecting the successful audit firm will be made within 6 weeks of the closing date for the receipt of proposals.
- Upon conclusion of final negotiations with the successful audit firm, all Offerors submitting proposals in response to this Request for Proposal will be informed, in writing, of the name of the successful audit firm.
- It is expected that the contract shall be a one-year fixed price contract with options for four additional one-year periods.

E. Description of Entity and Records to be Audited

P.E.A.C.E., Inc. is a nonprofit organization which serves primarily Onondaga County in New York State. Other counties are served by specific P.E.A.C.E., Inc. programs. P.E.A.C.E. Inc. is a private, nonprofit corporation and has been determined to be exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. It is governed by a 20-member volunteer Board of Directors. Administrative offices and all records are located at 217 South Salina Street, Syracuse, NY 13202. Other offices are located throughout the Syracuse and surrounding areas.

A description of the records to be audited:

6 bank accounts, including 2 operating accounts with third party collateralized agreements

1 set of general ledger books under Blackbaud automated system

Payroll prepared by ADP – 5 separate payroll groups

Fixed Assets – maintained on excel

Accounts payable – Blackbaud automated system

4 inventories using both manual, Excel and QuickBooks

Approximate # of checks on bank accounts each year:

Operating Account HSBC – 3770 checks

Operating Account M&T – 1825 checks

Key Bank (Landlord Contributions) – 16 checks

Syracuse Credit Union – 2 checks

M&T DHCR ARRA non-interest – 60 checks

M&T DHCR ARRA interest – 0 checks

We have activity in approximately 95 grants per year (a grant ending mid fiscal year counts as 2 grants open for year), and 75 other non grant cost centers

Our total revenue and support for the year ending January 31, 2011 was approximately \$32,900,000 composed of approximately \$25,400,000 in grant activity,

and \$7,500,000 in non-grant activity. Total revenue and support for 1/31/10 and 1/31/09 are approximately \$25,000,000 and \$22,100,000 respectively.

A number of our grants require In-Kind contributions to be received and documented.

λ **F. Options**

At the discretion of P.E.A.C.E., Inc. this audit contract can be extended for four additional one-year periods. The cost for the option periods is to be submitted in the price quote by the Offeror.

Specification Schedule

A. Scope of a Financial and Compliance Audit

The purpose of this RFP is to obtain the services of a public accounting firm, whose principal officers are independent certified public accountants, certified or licensed by a regulatory authority of a state or other political subdivision of the United States, hereinafter referred to as the "Offeror" to perform a financial and compliance audit of P.E.A.C.E., Inc..

Government Audit Standards, states on page 2-1:

Financial statement audits determine (1) whether the financial statements of an audited entity present fairly the financial position, results of operations, and cash flows or changes in financial position in accordance with generally accepted accounting principles, and (2) whether the entity has complied with laws and regulations for those transactions and events that may have a material effect on the financial statements.

B. Description of Programs/Contracts/Grants

Attached is a list of our programs with descriptions, and a copy of our audited Schedule of Expenditures of Federal Awards for the year ending January 31, 2011.

Our programs include programs under:

- Youth Programs
- Individuals and Family Programs
- Senior Programs

Please refer to the attached for a more detailed listing.

C. Performance

P.E.A.C.E. Inc.'s records should be audited the first year for the period February 1, 2011 through January 31, 2012.

The Offeror is required to prepare audit reports in accordance with the *Government Audit Standards*, and other audit guides and specific state funding source requirements. An example is 10 CFR Part 400, 440 and Part 600 for DHCR. Other major grants are HeadStart and CSBG.

The Offeror shall participate at Board meetings as required.

The Offeror shall maximize work and efforts at interim, in order to reduce work at the end of the year as much as possible.

The Offeror will prepare the Data Collection Form for the Federal Clearing House.

P.E.A.C.E., Inc. prepares the schedules for Form 990 and CHAR 500, and the Offeror will put the information into the forms. We do not allow extensions past the June 15 due date.

D. Delivery Schedule

Offeror is to transmit one copy of the draft audit report to P.E.A.C.E., Inc.'s Executive Director, CFO and Controller before the Offeror makes the presentation to the Finance Committee. The Offeror will present 8 copies of the draft of the audit to the Finance Committee on May 24, 2012 for the Finance Committee approval, and comparable dates in each subsequent year.

The Offeror shall deliver 30 final audit reports to P.E.A.C.E., Inc.'s Board of Directors at the annual Board meeting, held the 4th Monday of June each year.

Reports may be submitted earlier than the above schedule. However, if the Offeror fails to make delivery of the audit reports within the time schedule specified herein, or if the Offeror delivers audit reports which do not conform to all of the provisions of this contract, P.E.A.C.E., Inc. may, by written notice of default to the Offeror, terminate the whole or any part of this contract. Under certain extenuating circumstances the contracting agent may extend this schedule upon written request of the Offeror with sufficient justification. Submission of an audit extension request does not constitute the granting of the extension. Audit extensions shall be at the sole discretion of P.E.A.C.E., Inc., and P.E.A.C.E., Inc. reserves its right to terminate the contract if the audit is not completed according to the above schedule.

E. Price

The Offeror's proposed price should be submitted separately. Include information indicating how the price was determined. For example, the Offeror should indicate the estimated number of hours by staff level, hourly rates, and total cost by staff level. Any out-of-pocket expenses should also be indicated. The pricing information should be in a separate sealed envelope, labeled as "Price Quote".

The Offeror is to explain the firm's policy for distinguishing between "billable consulting services" and "non-chargeable client services".

F. Payment

Payment will be made when P.E.A.C.E., Inc. has determined that the total work effort has been satisfactorily completed. Should P.E.A.C.E., Inc. reject a report, P.E.A.C.E., Inc.'s authorized representative will notify the Offeror in writing of such rejection giving the reason(s). The right to reject a report shall extend throughout the term of this contract and for ninety (90) days after the Offeror submits the final invoice for payment.

Progress payments will be allowed to the extent that P.E.A.C.E., Inc. can determine that satisfactory progress is being made.

Upon delivery of the 30 copies of the final reports to P.E.A.C.E., Inc. and their acceptance and approval, the Offeror may submit a bill for the balance due on the contract for the audit.

G. Audit Review

All audit reports prepared under this contract will be reviewed by P.E.A.C.E., Inc. and its funding sources to ensure compliance with General Accounting Office's (GAO) *Government Audit Standards* and other appropriate audit guides.

H. Exit Conference

An exit conference with P.E.A.C.E., Inc.'s representatives and the Offeror's representatives will be held at the conclusion of the field work. Observations and recommendations must be summarized in writing and discussed with P.E.A.C.E., Inc.. It should include internal control and program compliance observations and recommendations.

I. Workpapers

- Upon request, the Offeror will provide a copy of the workpapers pertaining to any questioned costs determined in the audit. The workpapers must be concise and provide the basis for the questioned costs as well as an analysis of the problem.
- The workpapers will be retained for at least three years from the end of the audit period.
- The workpapers will be available for examination by authorized representatives of the cognizant federal or state audit agency, the General Accounting Office, and P.E.A.C.E., Inc..

J. Confidentiality

The Offeror agrees to keep the information related to all contracts in strict confidence. Other than the reports submitted to P.E.A.C.E., Inc., the Offeror agrees not to publish, reproduce or otherwise divulge such information in whole or in part, in any manner or form or authorize or permit other to do so, taking such reasonable measures as are necessary to restrict access to the information, while in the Offeror's possession, to these employees on the Offeror's staff who must have the information on a "need-to-know" basis.

The Offeror agrees to immediately notify, in writing, P.E.A.C.E., Inc.'s authorized representative in the event the Offeror determines or has reason to suspect a breach of this requirement.

K. AICPA Professional Standards

The AICPA Professional Standards state:

Ethics Interpretation 501-3 - Failure to follow standards and/or procedures or other requirements in governmental audits.

Engagements for audits of government grants, government units or other recipients of government monies typically require that such audits be in compliance with government audit standards, guides procedures, statutes, rules and regulations, in addition to generally accepted auditing standards. If a member has accepted such an engagement, and undertakes an obligation to follow specified government audit standards, guides,

procedures, statutes, rules and regulations, in addition to generally accepted auditing standards, he is obligated to follow such requirements.

Failure to do so is an act discreditable to the profession in violation of Rule 501, unless the member discloses in his report the fact that such requirements were not followed and the reasons therefor.

Technical Qualifications

The Offeror, in its proposal, shall, as a minimum, include the following:

A. Prior Auditing Experience

The Offeror should describe its prior auditing experience including the names, addresses, contact persons, and telephone numbers of prior organizations audited. Experience should include the following categories:

1. Prior experience auditing non-profit, CAP agencies.
2. Prior experience auditing agencies with funding from HeadStart, CSBG, and Department of Energy weatherization programs. Also please refer to the other grants and programs listed in the attachments.
3. Prior experience auditing similar programs funded by New York State.
4. Prior experience auditing programs financed by the Federal Government.
5. Prior experience auditing similar county or local government activities.
6. Prior experience auditing nonprofit organizations.
7. Prior experience designing and/or installing accounting systems in non-profit agencies
8. Prior experience auditing In-Kind (match) expenditures.
9. Provide a current client list of other non-profit entities as references.

B. Organization, Size, and Structure

The Offeror should describe its organization, size (in relation to audits to be performed) and structure. Indicate, if appropriate, if the firm is a small or minority-owned business. Offeror should include a copy of the most recent Peer Review, if the Offeror has had a Peer Review.

C. Staff Qualifications

The Offeror should describe the qualifications of staff to be assigned to the audits. Descriptions should include:

1. Audit team makeup
2. Overall supervision to be exercised
3. Prior experience of the individual audit team members: Only include resumes of staff to be assigned to the audits. Education, position in firm, years and types of experience, continuing professional education, state(s) in which licensed as a CPA, etc. will be considered. Include the partner in charge, audit manager and auditors. Discuss the commitments you will make to staff continuity, including your staff turnover experience in the last 3 years.

D. Understanding of Work to be Performed

The Offeror should describe its understanding of work to be performed, including audit procedures, estimated hours, and other pertinent information. Describe the firm's approach to performing an audit of this magnitude.

The Offeror should prepare an Executive Summary of not more than 3 pages highlighting why the firm is the best qualified to provide audit services to P.E.A.C.E., Inc.. Describe the firm's past experience in conducting not-for-profit corporate audits for companies of \$15 million or more in revenues. Also describe experience with other charitable and social action agencies.

E. Certifications

The Offeror must sign and include as an attachment to its proposal the Certifications enclosed with this RFP. The publications listed in the Certifications will not be provided to potential Offerors by P.E.A.C.E., Inc., because P.E.A.C.E., Inc. desires to contract only with an Offeror who is already familiar with these publications.

If the firm or any of the engagement personnel are the subjects of litigation or complaints against them that have been leveled by the state board of accountancy or other regulatory authority, please describe the litigation or complaints and the corrective actions that have been taken.

Include a copy of your firm's most recent peer review report, the related letter of comments, and the firm's response to the letter of comments.

Proposal Evaluation

Note that attendance at the Bidder's Conference on Monday, June 27, 2011 is required.

A. Submission of Proposals

All proposals shall include two copies of the Offeror's technical qualifications, two copies of the pricing information (in a separately sealed envelope), and two copies of the signed Certifications. These documents will become part of the contract.

B. Nonresponsive Proposals

Proposals may be judged nonresponsive and removed from further consideration if any of the following occur:

1. The proposal is not received timely in accordance with the terms of this RFP.
2. The proposal does not follow the specified format.
3. The proposal does not include the Certifications.
4. The proposal is not adequate to form a judgment by the reviewers that the proposed undertaking would comply with the *Government Audit Standards* of the U.S. Comptroller General.

C. Review Process

P.E.A.E., Inc. may, at its discretion, request presentations by or meetings with any or all Offerors, to clarify or negotiate modifications to the Offerors' proposals.

However, P.E.A.C.E., Inc. reserves the right to make an award without further discussion of the proposals submitted. Therefore, proposals should be submitted initially on the most favorable terms, from both technical and price standpoints, which the Offeror can propose.

Certifications

On behalf of the Offeror:

1. The individual signing certifies that he/she is authorized to contract on behalf of the Offeror.
2. The individual signing certifies that the Offeror is not involved in any agreement to pay money or other consideration for the execution of this agreement, other than to an employee of the Offeror.
3. The individual signing certifies that the prices in this proposal have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition.
4. The individual signing certifies that the prices quoted in this proposal have not been knowingly disclosed by the Offeror prior to an award to any other Offeror or potential Offeror.
5. The individual signing certifies that there has been no attempt by the Offeror to discourage any potential Offeror from submitting a proposal.
6. The individual signing certifies that the Offeror is a properly licensed certified public accountant, or a public accountant licensed on or before June 1, 2011.
7. The individual signing certifies that the Offeror meets the independence standards of the *Government Auditing Standards*.
8. The individual signing certifies that he/she is aware of and will comply with the GAO Continuing Education Requirement of 80 hours of continuing education every two years; and that 24 hours of the 80 hours education will be in subjects directly related to the government environment and to government auditing for individuals.
9. The individual signing certifies that he/she is aware of and will comply with the GAO requirement of an external quality control (peer) review at least once every three years.
10. The individual signing certifies that he/she has read and understands the following publications relative to the proposed audits:
 - *Government Auditing Standards (Yellow Book)*
 - *OMB Circular A-133, Audits of Institutions of Higher Education and Other Nonprofit Institutions*
 - *OMB Circular A-133 - Compliance Supplement*
 - *OMB Circular A-110, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations*
 - *OMB Circular A-122, Cost Principles for Nonprofit Organizations*
 - *A Guide for Nonprofit Organizations: Cost Principles and Procedures for Establishing Indirect Cost and Other Rates for Grants and Contract with the Department of Health and Human Services*

Any other standards and guidelines for our grants and funding sources.

11. The individual signing certifies that he/she has read and understands all of the information in this Request for Proposal, including the information on the programs/grants/contracts to be audited.
12. The individual signing certifies that the Offeror, and any individuals to be assigned to the audits, does not have a record of substandard audit work and has not been debarred or suspended from doing work with any federal, state or local government. (If the Offeror or any individual to be assigned to the audits has been found in violation of any state or AICPA professional standards, this information must be disclosed.)

Dated this _____ day of _____, 20_____.

(Offeror's Firm Name)

(Signature of Offeror's Representative)

(Printed Name and Title of Individual Signing)