



PROPOSAL TO PROVIDE EXTERNAL AUDIT SERVICES

**to the Florida A&M University
Foundation, Inc.**

BCA Watson Rice LLP

3350 SW 148th Avenue

Miramar, FL 33027

Phone: 305.947.1638

Executive Summary

February 27, 2026

Gena Palmberg
Assistant Director Financial Operations
Florida A&M University Foundation, Inc.
625 E Tennessee Street
Tallahassee, FL 32308
gena.palmberg@famuc.edu

Dear Mrs. Palmberg:

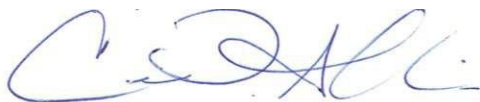
BCA Watson Rice LLP (Watson Rice) is pleased to submit our proposal in response to your Request for Proposal dated February 27, 2026, for audit services for the Florida A&M University Foundation, Inc. (FAMUF or the Foundation) for the fiscal year ending June 30, 2026.

As a nationally recognized, full-service accounting and consulting firm with over 50 years of experience, Watson Rice has established itself as a leader in nonprofit audits. We are proud to be one of the oldest, independently owned multicultural accounting firms in the United States.

We bring to this engagement a deep understanding of not-for-profit organizations and the unique environment in which direct service organizations in the State of Florida operate. Through our National Not-For-Profit Practice, we offer specialized services tailored to the needs of nonprofit entities, coupled with our knowledge of governmental accounting reporting standards applicable to the Foundation. Our team members undergo rigorous training in nonprofit and governmental accounting and auditing, ensuring they are well-prepared to serve without requiring additional orientation from your staff. Our commitment to proactive and responsive communication means you will have consistent, year-round access to professionals who are genuinely invested in your organization's success.

Thank you for the opportunity to present our qualifications to the Foundation. We are confident that Watson Rice has the right people, experience, and resources to meet your audit needs both now and in the years ahead. We value the lasting relationships we build with our clients and look forward to the opportunity to provide high-quality service for your organization. Should you have any questions or need additional information, please feel free to contact me at (786) 539-4422.

Sincerely,



Carshena Allison, CPA
Partner

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FIRM QUALIFICATIONS

Profile of the Firm

Name and Address of Headquarters

Watson Rice, LLP
5 Penn Plaza, 15th Floor
New York, NY 1001

Managing Partner: Ralph Bazilio

Corporate Structure: Limited Liability Partnership

Established: 1971

Audit Location and Primary Contact Person

BCA Watson Rice LLP
3350 SW 148th Avenue
Miramar, FL 33027
(305) 947-1638
callison@watsonrice.com

Overview

BCA Watson Rice LLP qualifies as an “independent qualified public accountant” under applicable standards. We are a minority-owned, full-service accounting and auditing firm with over 50 years of experience. Since our founding in 1971, Watson Rice has specialized in providing audit services to not-for-profit organizations, employee benefit plans, public entities, state and local governments, and federal agencies.

The firm has expanded to four strategically located offices, employing almost 100 professionals and 8 partners, establishing a nationwide footprint in the sectors we serve. While our Florida office will take the lead in managing this engagement, we also maintain offices in New York City (our headquarters), Rutherford, New Jersey, and Lanham, Maryland.

Watson Rice combines the resources and technical expertise of a large firm with the personalized attention of a smaller practice. Audit and attestation services have always been, and continue to be, the foundation of our business.

Not-for-Profit and Government Experience

Not-for-profit and governmental organizations represent some of Watson Rice’s most valued and longstanding clients. Since the firm’s inception, we have maintained a strong focus on this sector and, over the years, have built substantial expertise in nonprofit and governmental auditing. Today, we serve approximately 60 not for profit and governmental entities requiring audits under *Governmental Auditing Standards*. Of these, approximately 25% report under Governmental Accounting Standards. While we serve multiple foundations, we currently serve four (4) university foundations. A cornerstone of our success has been our ability to effectively plan and coordinate audit teams across multiple locations, ensuring consistency

and quality throughout each engagement. We also take great care to assign professionals whose training and experience align closely with the specific needs of each client.

In addition, Watson Rice conducts annual audits of investment portfolios ranging in complexity and size, including entities with assets exceeding \$10 million to \$21 billion. This experience reinforces our capacity to manage high-value, high-stakes financial engagements with precision and insight.

Our experience covers a broad spectrum of clients, including these key industry segments:

- Private and public foundations
- Arts, culture and humanities
- Business leagues and trade associations
- Education organization
- Research and Environmental
- Fraternities, Societies and Recreation Clubs
- Governmental
- Private and community foundations
- Public, societal benefit
- Pensions and Unemployment Trusts
- Religious and church
- Social welfare organizations

A representative list of not-for-profit and Foundation clients we have served in providing audit, tax, and advisory services include:



The Firm's Approach to Continuing Education

We ensure our internal training meets the requirements of the AICPA/NASBA Statement on Standards for Continuing Professional Education (CPE) Programs.

Watson Rice is an approved continuing education provider under the State of Florida and provides internal trainings on a continuous basis. The firm also participates in an unlimited CPE learning platform available to all professionals to obtain additional learning in various topics including not for profit and governmental at any time. Which enables the team to do research and obtain answers for timely, real time responses in the field. As a registered CPE provider, WR is able to provide educational resources to your staff team and consult on any new pronouncements.

Our audit partners and professional staff, including CPAs and non-CPAs, are required to participate in at least 20 hours of qualifying Yellowbook CPE every two years and at least 120 hours every three years. In addition to these requirements, there are additional minimum standards for professionals who practice in certain industries. Our National Office of Risk Management monitors compliance with CPE requirements.

Litigation and Ethics Referrals

The firm is not the subject of any litigation, ethics referrals or professional disciplinary action that might adversely affect its ability to carry out a multi-year audit engagement.

Conflicts of Interest and Business Relationships with FAMUF (Independence)

Watson Rice does not have any other business relationship with and is independent of the Foundation.

Watson Rice consciously selects clients that align with the values and business goals of the firm. As such, we prioritize contributions to our not-for-profit clients as part of our commitment to community and support of our client's mission while maintaining independence. As part of this alignment, we give back to the University and the Foundation on regular basis through contributions for events, athletic sponsorships, providing access to student scholarships, purchase of named bricks, contributions to the Humphries statue, and regular ongoing support. We understand the value that the Foundation brings to the community at large and appreciate the opportunity to provide our assistance in furthering that mission.

Diversity of the Firm and Team

At Watson Rice, diversity is an integral part of who we are and how we operate. We are deeply committed to cultivating an inclusive workplace where individuals of all backgrounds, perspectives, and experiences are valued and empowered. Our team represents a rich mix of ethnicities, genders, and cultures, which enhances our ability to understand and respond to the diverse needs of our clients.

We uphold high standards for diversity, equity, and inclusion across all aspects of our firm, particularly in recruitment, retention, and professional development. This commitment not only enriches our organizational culture but also drives innovation and allows us to deliver well-rounded, culturally competent service.

The audit team assigned to the Foundation will primarily consist of professionals with public accounting certifications and related degrees from HBCU Institutions, significant knowledge of accounting standards applicable to your entity, and a commitment to education and excellence.

Quality Assurance and Peer Review

As an independent Certified Public Accounting firm, Watson Rice maintains effective and strict quality assurance programs that meet industry standards and ensure quality audits. Watson Rice's quality assurance program ensures that the firm:

- Maintains the highest level of performance on all projects
- Adheres to all applicable professional standards

- Fulfills and execute all contract requirements
- Maintains confidentiality of all client information and records
- Establishes strict security measures to ensure that only authorized personnel have access to facilities, data, files and computer systems
- Delivers work products and services in a cost effective, high quality and timely manner

Watson Rice participates in the Peer Review program of the American Institute of Certified Public Accountants (AICPA). As such, every 3 years, a peer accounting firm conducts an on-site review of Watson Rice's audit work papers and quality control procedures to ensure compliance with the professional quality standards established by the AICPA. As a testament to our adherence to the highest quality assurance standards, we have received unqualified opinions, with no letters of comment, for each of the reviews that have been conducted. Refer to Appendix II for a copy of our most recent peer review.

Technological Capabilities

Watson Rice's audit practice leverages advanced technology to deliver efficient, high-quality audits tailored to our clients' needs. We conduct our audits using DAS OnPoint, a secure, paperless audit management platform that stores all working papers electronically. This system allows clients to upload supporting documentation digitally, reducing the need for printing and minimizing the handling of physical documents. In response to the shift toward remote work—accelerated by the pandemic—we have refined our processes to support fully remote audits. We also employ a secure, cloud-based file-sharing application to streamline document collection. Many of our clients appreciate the environmental benefits and cost-efficiency of this paperless, technology-driven approach.

Our audit methodology is among the most comprehensive in use worldwide and is specifically designed to adapt to evolving auditing standards. This methodology enables us to focus on areas of highest risk and ensure they are thoroughly assessed and well-documented. Additionally, we incorporate the expertise of our Information Technology and Assurance Control (ITAC) specialists—experienced IT auditors and technology risk professionals—who assess general and application-level IT controls. This is particularly valuable for clients whose operations are heavily reliant on technology.

To stay ahead of regulatory developments, our auditors utilize *Thomson-Reuters' Checkpoint* to access the latest accounting and auditing standards, particularly those relevant to nonprofit organizations. We are also active members of the AICPA Not-for-Profit Audit Quality Center, AICPA's Not-for-profit section, Government Audit Quality Center, Employee Benefit Quality Audit Center, Private Companies Practice Section and the Center for Plain English Accounting; as well as NABA's Diverse Organization of Firms, which keeps us informed of industry updates, technical guidance, and emerging trends. Maintaining current knowledge of professional standards and best practices is a cornerstone of our commitment to delivering the highest level of audit quality to our clients.

Industry Affiliations and Professional Memberships

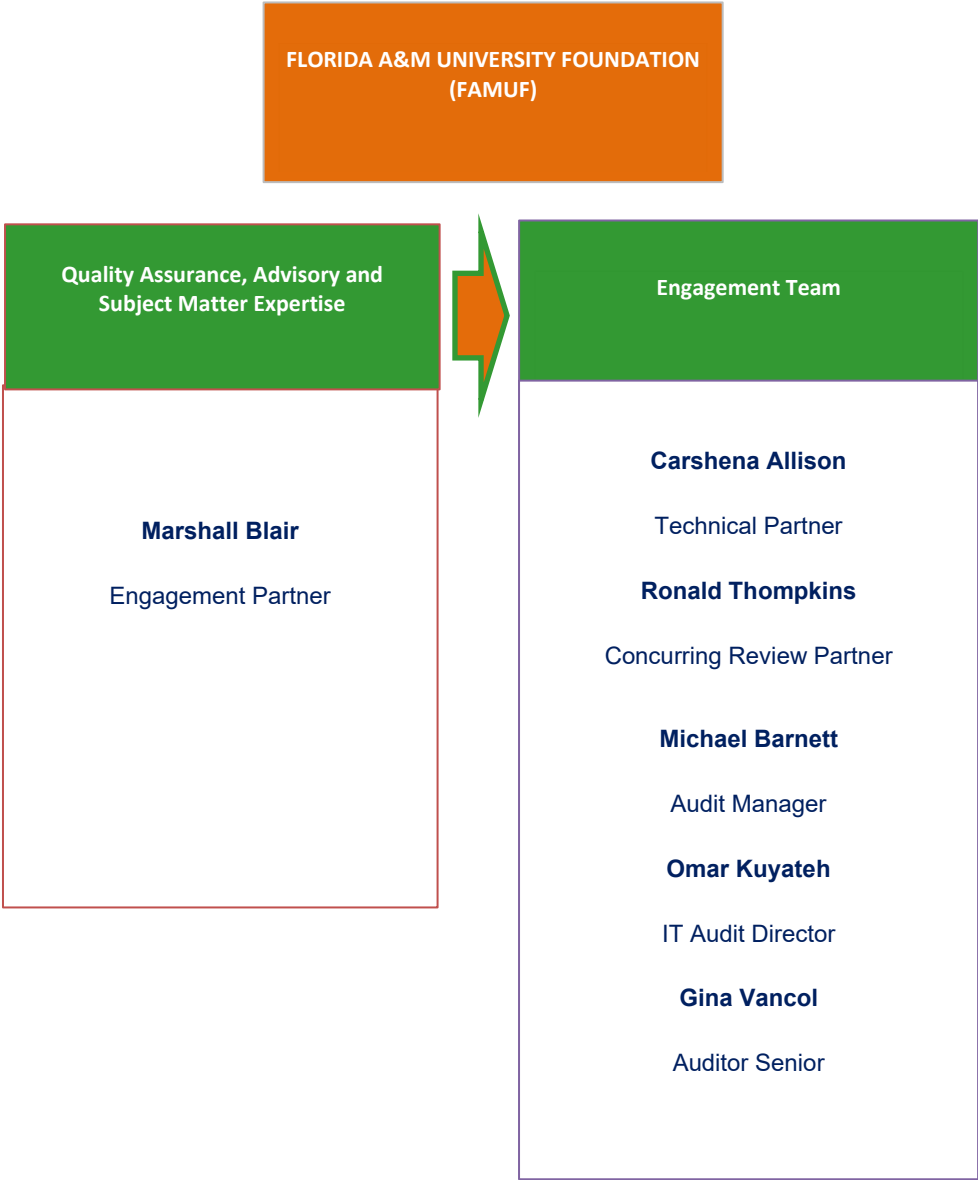
Watson Rice, its partners and staff are affiliated with many industry organizations including, but not limited to, the American Institute of Certified Public Accountants (AICPA), the Florida Institute of Certified Public Accountants (FICPA), the Government Finance Officers Association (GFOA), the Association of Government Accountants (AGA), and other professional bodies that support continuing education, ethical standards, and excellence in public accounting.

3. STAFFING FOR AUDIT

ENGAGEMENT TEAM STRUCTURE

The team you choose should provide the right skills and capabilities and it should fit well with your organization. You should be comfortable with the people who are serving you, since ultimately those individuals, and their caliber and commitment to you, will ultimately make the difference in this relationship.

The key people who will comprise the team are as follows:



We understand that a priority in the selection of an audit firm and its team is their technical knowledge and skills required to complete the required audit and other services. The team we have compiled has been specifically chosen based on the applicability of their skill sets and backgrounds to the services we are proposing to provide. As we deepen our understanding of your needs related to the audit, we have the strength of Watson Rice's National Practice and global networks to draw on, should new needs be identified.

Biographical Summaries of Assigned Staff

Marshall Blair, CPA, CIA, CGMA, is our proposed **Engagement Partner**. Mr. Blair is a Principal at Watson Rice with more than 20 years of audit and accounting experience. His nonprofit client portfolio includes numerous national organizations, such as the Jackson State University Foundation, the National Bankers Association, National Bar Association, NAFSA – Association of International Educators, National Association for the Advancement of Colored People (NAACP), National Alliance of Black School Educators, Lincoln University, the NEA Foundation for the Improvement of Education, National Council of Negro Women, the MLK Jr. National Memorial Project Foundation, Executive Leadership Council and Foundation, and Individual Development, Inc., among others.

As Engagement Partner, Mr. Blair will oversee overall engagement planning and logistics and will be actively involved in the resolution of significant issues. He will monitor fieldwork through the audit manager, review all reports to ensure accuracy and timely completion, and maintain ultimate responsibility for the quality and performance of the engagement. Mr. Blair will also maintain frequent communication with client leadership to provide updates on audit progress and key matters.

Carshena Allison, CPA, MBA will serve as **Technical Partner** responsible for ensuring that Watson Rice's performance on this engagement meets and exceeds FAMUF's expectations in a timely, effective, and efficient manner. Ms. Allison brings nearly 20 years of professional experience in accounting, auditing, and business consulting. She will fulfill this role through active oversight, including participation in planning discussions, review of status reports, attendance at key meetings with FAMUF personnel, online review of work performed, and final report reviews. Ms. Allison will proactively address potential issues with FAMUF to resolve them before they escalate and will ensure that all work performed and reports issued comply with auditing standards generally accepted in the United States of America. Her extensive experience serving similar clients will provide valuable technical guidance throughout the engagement. Ms. Allison has previously served as the Engagement Manager on the Florida A&M University Foundation as well as Paul Quinn College.

Ronald Thompkins, CPA, CGMA, CVA is our proposed **Concurring Review Partner**. Mr. Thompkins brings more than 50 years of professional experience providing audit and consulting services to both public sector and private organizations. He leads the firm's quality control programs and serves as engagement partner on financial and compliance audits for numerous government agencies. Mr. Thompkins has directed complex audit engagements for governmental entities and nonprofit organizations that receive federal and state funding, performed in accordance with Generally Accepted Auditing Standards (GAAS), Government Auditing Standards (Yellow Book), and OMB Uniform Guidance. He currently serves as the firm's National Quality Assurance Partner and is widely recognized for his expertise in governmental and nonprofit accounting and auditing. In addition to his professional practice, Mr. Thompkins previously served as an Assistant Professor at the University of Denver. He is also a frequent speaker at professional conferences, including the University of Miami Accounting Conference, where he presents on Governmental and Nonprofit Accounting and Auditing, and the National Association of Counties' Annual Convention, where he spoke on auditing governmental organizations, programs, activities, and functions. Additionally, Mr. Thompkins has previously served as Concurring Review Partner on the Florida A&M University Foundation, Florida Memorial University and Foundation and Paul Quinn College.

Omar Kuyateh, PhD will serve as **IT Audit Director**. Dr. Kuyateh is an Assurance Partner with more than 20 years of experience overseeing IT audit functions and supporting federal government agencies in advisory, auditing, and financial management engagements. He has extensive experience working with cabinet-level federal agencies, with a strong emphasis on federal financial reporting, IT controls, and regulatory compliance. Dr. Kuyateh possesses deep technical knowledge of FedGAAP and key federal requirements, including OMB Circulars (A-11, A-123, A-136), U.S. Treasury USSGL and related crosswalks and reporting, FMFIA, FFMIA, FASAB standards, GMRA, FISMA, FISCAM, and the CFO Act. He also performed the IT Audit of Virginia Tech.

Michael Barnett, CPA will serve as the **Audit Manager**. Mr. Barnett is a manager in the firm's audit department with more than 20 years of accounting and auditing experience across governmental, not-for-profit, and for-profit organizations. His background includes examining accounting records to ensure the reliability and integrity of financial information, compliance with applicable laws and regulations, adherence to established policies and procedures, and the implementation and evaluation of internal controls. He also has significant experience auditing federal and state grant programs in accordance with the Uniform Guidance and the Rules of the Auditor General of the State of Florida. Mr. Barnett is a member of the American Institute of Certified Public Accountants (AICPA), the Florida Institute of Certified Public Accountants (FICPA), and the Georgia Society of Certified Public Accountants (GSCPA).

Gina Vancol, MAcc will serve as the **Audit Senior**. Ms. Vancol has more than 10 years of accounting and auditing experience, including extensive work with governmental and nonprofit organizations. She is well versed in auditing standards issued by the American Institute of Certified Public Accountants (AICPA) and Government Auditing Standards. Ms. Vancol is a firm specialist in Single Audit engagements conducted under the Single Audit Act. In her role, she supervises staff team members to ensure work is completed in accordance with the engagement plan, within established budgets, and on schedule. She works closely with client management, the engagement manager, and the audit team to maintain quality standards, meet service requirements, and ensure timely completion of deliverables. In addition, Ms. Vancol previously served Florida A&M University Foundation, Florida Memorial University and Paul Quinn College as an in-charge accountant.

Staff Continuity Commitments

WatsonRice ensures continuity of audit staff through internal engagement planning, early scheduling, and active retention efforts. We understand the disruption that turnover can create and are committed to assigning a consistent team for the duration of the contract. All team members listed above are confirmed for this engagement, with availability aligned to the Foundation's proposed timeline.

Staff Turnover and Rotation

Audit seniors are assigned no more than one client at a time. Our audit supervisors are assigned no more than two clients at a time. Audit Partner's are rotated every five years. All key engagement team members have been with the firms for over 10 – 30 years. Assigned staff all have experience in fund accounting for not for profit entities and governmental reporting requirements as indicated in the attached resumes.

Proposed Audit Timeline and Schedule

We will perform the activities requested by the Foundation and adhere to the deliverable and timelines suggested in the RFP. We are committed to meeting your deadlines and will coordinate the timing of our audit with you upon selection. The timeline below outlines a schedule based on our understanding. We will conduct a kick-off meeting of the project within 10 days of the award and will comply with the other dates suggested in the schedule. Mindful of the requirement to submit audited financial statements timely, we are proposing the following milestones which will be used to guide the audit.

ANTICIPATED TIMELINE

PROJECT DETAILS

DATE	MILESTONE
22-Jul	Kick-off Meeting
24-Jul	Submit PBC List
29-Jul	Commence Planning Activities
5-Aug	Commence Internal Control Review
16-Aug	Summarize Internal Control Review
19-Aug	Commence Substantive Audit Review
30-Aug	Complete Field Work
13-Sep	Draft Audited Financial Statements
18-Sep	Management Letter Comments
30-Sep	Presentation to Board of Directors

SUMMARY OF KEY MEMBERS EXPERIENCE

Below we present an experience matrix showing the qualifications of our proposed key engagement team members.

Name	Certifications	Nonprofit Audits	Internal Control Reviews	GAAS Audits	SOC 1 Reviews	IT Audit
Marshall Blair	CPA, CIA, CGMA	✓	✓	✓	✓	✓
Carshena Allison	CPA, MBA	✓	✓	✓	✓	✓
Ronald Thompkins	CPA, CGMA, CVA	✓	✓	✓	✓	✓
Omar Kuyateh	PhD, CISA, CISM, PMP, CGFM, CDFM, CFE	✓	✓	✓	✓	✓
Michael Barnett	CPA	✓	✓	✓		
Gina Vancol	MAcc	✓	✓	✓		

The engagement team will be supported by a talented pool of financial and IT auditors. Resumes for the above individuals are included.

RESUME OF TEAM MEMBERS



Marshall Blair
CPA, CIA, CGMA
Engagement Partner
mblair@watsonricedc.com

Summary of Experience

Marshall Blair is Principal with Watson Rice, with a primary focus on the Not-for-Profit Sector Market. Mr. Blair has been an employee of Watson Rice for over 16 years and has served as principal and engagement director for most of the firm's not-for-profit audits. He has over 25 years of accounting, information systems and public accounting (audit) experience, is an avid learner and thought leader and is instrumental in promoting CPA Exam success for upcoming CPAs.

Marshall started his career in public accounting at PricewaterhouseCoopers LLP and has also worked in corporate. Over these years, Marshall has gained extensive experience and brings a 360-degree view of audit and accounting, project management skills, and subject matter expertise. Marshall is well versed in all aspects of financial and internal control audits and the application of all FASB requirements.

Education

- The Association of Chartered Certified Accountants (ACCA – UK Bachelor of Science, Accounting)
- Master of Science, Computer-Based Management Information Systems, University of the West Indies

Professional Affiliations and Credentials

- Certified Public Accountant (CPA)
- Certified Internal Auditor (CIA)
- Certified Information Systems Auditor (passed)
- Certified Global Management Accountant (CGMA)
- Member - American Institute of Public Accountancy (AICPA)
- Member – Institute of Internal Auditors (IIA)

Some Relevant Experience

A list of non-for-profit clients for which audit and internal control services have been provided over the years include:

- National Bankers Association
- National Bankers Community Alliance Foundation
- National Bar Association

- Georgia Avenue Family Support Collaborative
- African Methodist Episcopal Finance Department
- Thurgood Marshall Center Trust, Inc.
- SCORE Association
- SCORE Foundation
- Prince George's County Economic Development Corporation
- PSI Family Services
- Seabury Resources for Aging
- Congression Black Caucus Foundation
- Greater Washington Urban League
- Edgewood/Brookland Family Support Collaborative
- NAFSA: Association of International Educators
- Martin Luther King Jr. National Memorial Project Foundation
- National Council of Negro Women
- National Association for the Advancement of Colored People (NAACP)
- National Alliance of Black School Educators
- National Association of Black Accountants
- National Education Association
- NEA Foundation
- Kingman Boys and Girls Club
- Options Public Charter School
- DC Public Charter School
- Lincoln University
- Morgan State University
- Northern Virginia Community College
- Philadelphia Regional Port Authority
- Prince Georges County and related entities
- District of Columbia Water and Sewer Authority
- Washington Suburban Sanitary Commission (WSSC)



Carshena T. Allison CPA, MBA
Managing Partner, Florida
callison@watsonrice.com



Summary of Experience

Mrs. Allison has more than 20 years of auditing and consulting experience, including extensive work with higher education institutions, several of which she currently audits under her supervision. She also has more than 19 years of experience auditing nonprofit organizations. Ms. Allison will be responsible for the overall coordination, supervision, and direction of the monitoring engagement. Her industry experience spans nonprofit, governmental, commercial, insurance, and pension sectors, and her services have included audits, Single Audits, reviews, compilations, agreed-upon procedures, and related assurance services. As Engagement Partner, she assumes ultimate responsibility for the successful completion of engagements and provides oversight and supervision to senior and staff team members.

Education

- Bachelor of Arts, Accounting
- Master of Business Administration

Professional Affiliations and Credentials

- Certified Public Accountant (CPA)
- Council Member - American Institute of Public Accountancy (AICPA)
- Board Member – Florida Institute of Certified Public Accountants (FICPA)
- Current Chair – FICPA Governance Committee
- Past Chair – FICPA Foundation
- Past Chair – North Dade South Broward Chapter of FICPA

Some Relevant Experience

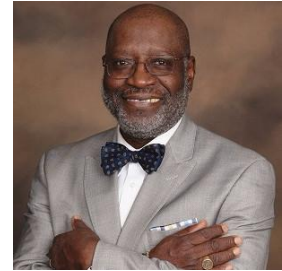
A list of non-for-profit clients for which audit and internal control services have been provided over the years include:

- **Florida A&M University Foundation**
- Tallahassee Leon County Civic Center Authority
- CareerSource South Florida
- **Florida Memorial University**
- **School Board of Broward County**
- **Miami-Dade County School Board**
- **Early Learning Coalition of Broward County**
- **Paul Quinn College**
- **State of Florida Division of Early Learning**
- BAC Funding Corporation

- Legal Services of Greater Miami, Inc.
- City of Pembroke Pines, Florida
- City of Gretna, Florida
- City of Hollywood
- City of Lake Worth Florida
- City of Quincy Florida
- City of Oakland Park, Florida
- Miami-Dade Expressway Authority
- Broward County Housing Authority
- Deerfield Beach Housing Authority



Ronald Thompkins
CPA, CGMA, CVA
Concurring Review Partner
rthompkins@watsonrice.com



Summary of experience

Ronald Thompkins, CPA has more than 50 years of public accounting experience, including eight years with an international public accounting firm, where he served as an Audit Manager prior to joining BCA Watson Rice. Since joining the firm, he has served as Engagement Partner for numerous clients, including organizations that receive public funding. He currently serves as the firm's National Quality Control Director, with overall responsibility for ensuring the quality of services delivered under client engagements. Mr. Thompkins is also an active Peer Reviewer for other CPA firms, and his expertise is widely recognized within the profession. In this capacity, he works closely with engagement leadership to ensure work quality, compliance with service requirements, and adherence to project timelines.

Mr. Thompkins previously served as Engagement Partner for financial statement audits of higher education institutions and currently serves as Quality Control Partner across all firm offices. In this role, he provides technical guidance to staff, oversees engagement quality, reviews reports, and works directly with publicly funded entities to guide them through the audit process and provide recommendations as needed. His extensive experience in audit and assurance services significantly enhances the reliability and effectiveness of the firm's work.

Mr. Thompkins is a recognized expert in the nonprofit and governmental sectors. He has served as an Assistant Professor at the University of Denver and as a speaker at the University of Miami Accounting Conference on Governmental and Nonprofit Accounting and Auditing. He has also presented at the National Association of Counties' Annual Convention on auditing governmental organizations, programs, activities, and functions.

Professional affiliations and credentials

- American Institute of Certified Public Accountants – Former member of Board of Directors (Chair Expert Panel); Former member of Council, PCPS Executive Committee, “Grass Roots Panel”, & Minority Initiatives Committee
- Florida Institute of Certified Public Accountants (FICPA) - Former State & Chapter President, currently

Education

- Bachelor of Arts, Accounting



- Florida A&M University
- Paul Quinn College
- State of Florida Division of Early Learning
- Tallahassee Leon County Civic Center Authority
- Miami-Dade Water and Sewer Dept

- CareerSource South Florida
- Broward County Housing Authority
- Miami-Dade Housing Agency
- Homestead Housing Authority
- Deerfield Beach Housing Authority
- Tacolcy Economic Development Corporation
- Mt. Olive Apartments
- City of Lauderhill, Florida
- City of Opa-Locka, Florida
- Port of Miami Crane Management
- Village of El-Portal, Florida
- City of Riviera Beach, Florida
- City of Mid Way, Florida
- City of Quincy, Florida
- City of Gretna, Florida
- City of Pembroke Pines, Florida
- City of Oakland Park, Florida
- City of Wilton Manors, Florida
- **Florida Memorial University**
- **School Board of Broward County**
- **Miami-Dade County School Board**
- BAC Funding Corporation
- **Early Learning Coalition of Broward County**
- Legal Services of Greater Miami, Inc.
- City of Hollywood
- City of Quincy Florida
- Miami-Dade Expressway Authority
- Miami-Dade County Department of Parks, Recreation and Outdoor Spaces



Michael Barnett

CPA

Audit Manager

mbarnett@watsornice.com



Summary of experience

Michael G. Barnett, CPA is a Manager in the firm’s audit department with more than 20 years of accounting and auditing experience serving governmental, nonprofit, and for-profit organizations. His background includes examining accounting records to ensure the reliability and integrity of financial information, compliance with applicable laws and regulations, adherence to established policies and procedures, and the effectiveness of internal controls. He also evaluates management’s achievement of organizational goals and objectives. Mr. Barnett has substantial experience auditing federal and state grant programs in accordance with Uniform Guidance and the Rules of the Auditor General of the State of Florida.

Professional affiliations and credentials

- Member - American Institute of Certified Public Accountants (AICPA)
- Member – Florida Institute of Certified Public Accountants (FICPA)
- Member - Georgia Society of Certified Public Accountants (GSCPA)

Education

- Bachelor of Science, Accounting
- Master of Science, Accounting

Some Relevant Experience

A list of non-for-profit clients for which audit and internal control services have been provided over the years include:

- Town of Culter Bay
- City of Parkland
- City of Miramar
- City of Pompano Beach
- Town of Southwest Ranches
- Village of El Portal
- City of Doral
- City of West Palm Beach
- City of Hialeah
- City of Hialeah Gardens
- City of Parkland
- City of North Miami Beach
- Village of Indiantown
- Village of Sea Ranch Lakes

- Archways, Inc.
- OIC of South Florida
- OIC Strategic Integration
- OIC 401k Plan
- Henderson Center Residential Services
- Delray Beach Public Library
- Jewish Association of Residential Care
- Fiddler's Creek Community Development District #2
- Boynton Village Community Development District
- Sarasota National Community Development District



Omar Kuyateh
CISA, CISM, PMP, CGFM, CDFM, CFE
IT Audit Director
okuyateh@watsonricedc.com

Summary of experience

Omar Kuyateh, PhD is an Assurance Partner with more than 20 years of experience in federal government accounting, auditing, information systems, business advisory, and financial management. His work focuses on supporting cabinet-level federal agencies, with particular expertise in government IT, compliance, auditing, and financial reporting. As a subject matter expert, Dr. Kuyateh manages engagements and supervises staff on complex projects, including litigation support. His responsibilities include preparing principal financial statements; developing complex journal vouchers, such as quarterly elimination entries; drafting financial reporting policies and procedures; researching abnormal balances and tie-point variances; performing financial statement variance analyses; and conducting quality assurance reviews to ensure compliance with OMB A-136, Treasury Financial Manual (TFM) 4700, and USSGL requirements. He also provides technical training and mentorship to junior staff.

Professional affiliations and credentials

- Certified Government Financial Manager (CGFM)
- Certified Defense Financial Manager (CDFM)
- Certified Fraud Examiner (CFE)
- Project Management Professional (PMP)
- Certified Information Security Auditor (CISA)
- Certified Information Systems Manager (CISM)

Education

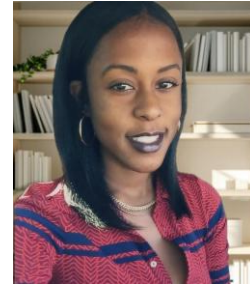
- Bachelor of Arts, Banking and Financial Services
- Master of Science, International Money, Finance and Investment
- PhD, Public Policy and Administration

Some Relevant Experience

A list of non-for-profit clients for which audit and internal control services have been provided over the years include:

- **Paul Quinn College**
- Miami-Dade Water and Sewer Dept
- The City of Opa Locka
- US Dept of Labor
- US Airforce, NAVY, and Defense Logistics
- State of Maryland, Office of the Atty Gen
- DC Public Service Commission
- Hospital for Sick Children
- National Social Security Insurance Trust

- Marketing Intelligence and Reporting
- Digital Analytics and Implementation
- E-Commerce and Conversion Optimization
- Customer Journey Mapping
- Personalization (Sitecore Personalize Cert.)
- Tag Management
- Customer Data Platforms
- Search Engine Optimization



Gina Vancol
MaCC

Audit Senior
gvancol@watsonrice.com

Summary of experience

Gina Vancol has 10 years of accounting and auditing experience serving governmental and nonprofit organizations. She is well versed in auditing standards issued by the American Institute of Certified Public Accountants (AICPA) and Government Auditing Standards. Ms. Vancol is a firm specialist in Single Audit engagements conducted under the Single Audit Act. She supervises staff team members to ensure work is completed in accordance with the engagement plan, within established budgets, and on schedule, and works closely with client management, the engagement manager, and the audit team to maintain quality and service requirements. Ms. Vancol has led numerous governmental audit and consulting engagements and is responsible for training staff on applicable compliance requirements and preparing reports in accordance with required formats. Through her extensive experience working with governmental entities, she has developed deep expertise in compliance testing and monitoring processes, ensuring that procedures are performed in accordance with applicable guidance. She also supports staff in interpreting relevant laws, regulations, and audit requirements to promote accurate and efficient engagement execution.

Professional affiliations and credentials

- Not-for-Profit Certificate – FICPA
- Associate member, American Institute of Certified Public Accountants
- Associate member, Florida Institute of Certified Public Accountants

Education

- Bachelor of Science, Accounting
- Master of Science, Accounting

Some Relevant Experience

A list of non-for-profit clients for which audit and internal control services have been provided over the years include:

- **Florida Memorial University**
- **Paul Quinn College**
- **Early Learning Coalition of Broward County**
- **State of Florida Department of Education Division of Early Learning**
- CareerSource South Florida
- Miami-Dade Water and Sewer Dept
- Broward County Housing Authority
- Deerfield Beach Housing Authority
- City of Gretna, Florida
- City of Oakland Park, Florida
- BAC Funding Corporation
- Legal Services of Greater Miami, Inc.
- Community Legal Services of Mid-Florida, Inc.

- Miami-Dade County Department of Parks, Recreation and Outdoor Spaces
- City of Miami Gardens
- City of Opa-Locka
- City of Hollywood
- Miami Dade County Water and Sewer Department

4. – AUDIT APPROACH

SCOPE OF SERVICES

As documented in your Scope of Work, we will:

- Perform an annual audit of FAMUF’s financial statements in accordance with Generally Accepted Auditing Standards (GAAS) as accepted in the United States of America and Governmental Auditing Standards.
- Prepare all applicable reports and present the reports and any findings to the FAMUF Audit Committee and/or the full Board. We will communicate with the Foundation, in writing, any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that are identified during the audit and any other required communications under GAAS or other regulatory or professional requirements.
- Provide other accounting, audit, tax, or consulting services throughout the year, as requested.
- Conduct a management audit, including an evaluation of internal and operating controls, review compliance, evaluate risk of fraud and misconduct and recommend enhancement to strengthen the Foundation’s practices.

OUR AUDIT PHILOSOPHY

Watson Rice has developed a proven approach to conducting audits that maximize both effectiveness and efficiency by focusing on a deep understanding of the Foundation’s operations. Beyond analyzing the Foundation’s accounting systems and records, we align our audit procedures with management’s objectives and the tools used to evaluate performance. By leveraging the full capabilities of our team alongside the insights of the Foundation’s staff, we aim to conduct a streamlined audit while delivering valuable recommendations to enhance operational effectiveness. Our approach reflects our extensive experience and familiarity with a wide range of accounting standards, financial reporting frameworks, and compliance requirements. Among the benefits you can expect from our audit approach are:

- A **well-planned, well-controlled** audit that employs communication and cooperation with the Foundation’s staff to produce a high-quality, efficient audit.
- An **innovative style** in which our partners, managers and staff will be involved year-round, actively seeking and communicating ways to help enhance the development and management of operations.
- An **insightful internal control report/management letter** that focuses on significant issues with reasonable recommendations. Typically, the internal control report will include compliance or controls issues that rise to a level requiring a formal finding. Other minor matters as well as others that are not related to compliance or controls may also be included in the report, for



example, suggestions for improved efficiencies.

Watson Rice is continually strengthening its implementation of the DAS OnPoint audit methodology. We have placed increased emphasis on completing audit planning earlier in the engagement cycle, while also enhancing our processes for supervision, review, and documentation by the audit partner, quality review partner, and other senior professionals. These efforts include improvements to engagement templates and tools, the issuance of targeted guidance supported by practical examples, and mandatory training to reinforce best practices across our audit teams.

In addition, we believe that it is important to make clear to our audit partners and staff what we, as a firm, mean by “audit quality.” At Watson Rice, a quality audit means consistently:

- Complying with accounting and auditing standards.
- Applying a deep and broad understanding of our clients’ business and the financial environment in which they operate.
- Using our expertise to raise and resolve issues early; and
- Exercising professional skepticism in all aspects of our work.

The following practices are followed in order to enhance audit quality:

- We ask tough questions.
- We stay current on professional standards.
- We apply an objective and skeptical mindset.
- We aspire to be the audit committee’s independent “eyes and ears.”
- We plan our work.
- We embrace the review and supervision process to continuously improve.
- We remember that real people depend on us.
- We are alert to issues that need deeper analysis, and we speak up.
- We take personal responsibility.
- We don’t just do it — we understand it.

Also, audit documentation is critical in demonstrating that our engagement teams complied with the audit methodology and professional standards and have identified and completed the procedures necessary for us to gain sufficient competent evidence to reach appropriate conclusions. The use of documentation tools provides a consistent framework for documenting audit evidence, and we continue to clarify, simplify, and eliminate duplication in our standardized procedures.

OUR GENERAL RISK-BASED AUDIT APPROACH

In summary, our risk-based audit approach is depicted below:

SUMMARY OF WATSON RICE FINANCIAL STATEMENT RISK-BASED AUDIT APPROACH



UNDERSTANDING THE FOUNDATION'S ENVIRONMENT, CONTROL AND SYSTEMS

An important component of providing audit quality is accomplished through our audit methodology. Our methodology offers our professionals a baseline for applying consistent judgments and procedures in all of our audit engagements. With an emphasis on applying appropriate professional skepticism, *the identification and evaluation of audit risks is one of the central features of our audit methodology*. In determining the nature, timing and extent of the required audit procedures, our risk assessments are re-evaluated, as appropriate, during the course of the audit in order to determine any additional procedures necessary for us to gain sufficient competent evidence to reach the appropriate conclusions. Throughout this risk assessment process, not only do we seek insights into financial reporting and audit risks, but we also seek to gain an understanding of, and the risks inherent in, your business. The knowledge we will gain about the Foundation through these procedures enables us to more effectively communicate with the audit committees and management and will further enhance our audit quality.

We will apply the risk assessment standards for the audits of the Foundation's financial statements.

Risk Assessment Procedures

We will obtain an understanding of the Foundation and its environment, including internal controls. This will be a continuous process of gathering, updating, and analyzing information throughout the audit and will include the following risk assessment procedures:

- Inquiries of management
- Inquiries directed toward those charged with governance
- Inquiries of those involved in initiating, authorizing, processing, or recording complex or unusual transactions
- Inquiries of legal counsel related to matters such as litigation, compliance with laws and regulations, knowledge of fraud or suspected fraud affecting the organization, and commitments or contingencies
- Analytical procedures
- Observation and inspection (include observation of selected activities; inspection of documents, records and internal control manuals; reviewing Board meetings' minutes; walkthroughs such as tracing transactions through the information systems relevant to financial reporting)
- Reviewing operating budgets, including budget restrictions

Understanding the Foundation's Risks

The following factors will be considered in developing and furthering our understanding of the Foundation and its environments:

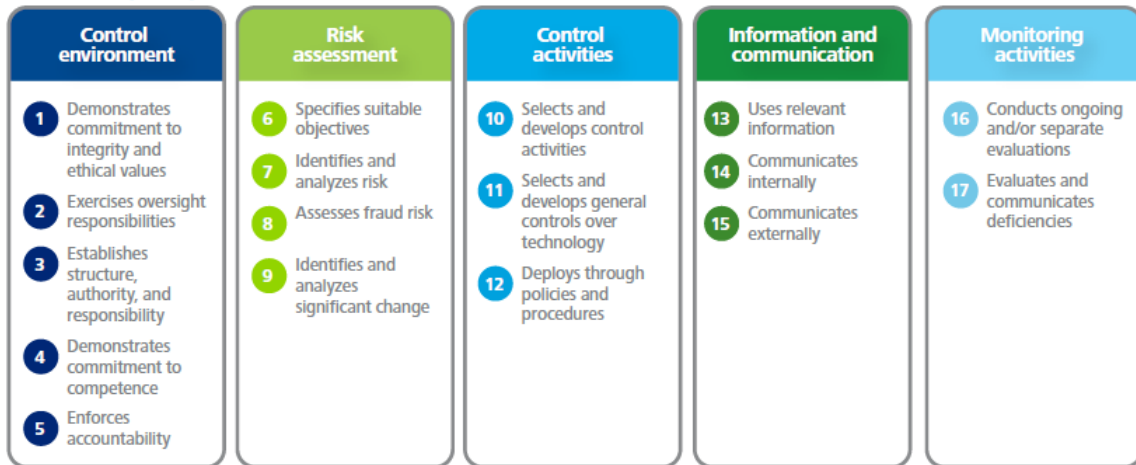
- Industry, regulatory, and other external factors
- Nature of operations
- Objectives and strategies, and the related business risks that may result in a material misstatement of the financial statements
- Measurement and review of the Foundation's financial performance
- Five elements of internal controls for key accounting processes - control environment, risk assessment, information and communication systems, control activities, and monitoring

Understanding the Foundation's Internal Control Framework

An understanding of the Foundation's internal control framework will provide further insights into the risks that may have an impact on the financial statements. From this task, we will be able to assess control risks at the financial statements and assertion levels; identify other relevant risks; determine the risk level of all identified risks – whether significant risks or not; and consequently, develop and execute audit procedures in response to the various identified risks.

To understand the Foundation's internal control framework, we will apply the Council of Sponsoring Organizations (COSO) framework as depicted below.

COSO's 17 principles of internal control – summarized



Our procedures will allow us to evaluate the design of controls surrounding the Foundation, and to determine whether they have been implemented. Evaluating the design of control involves considering whether the control, individually or in combination with other controls, is capable of effectively preventing, or detecting and correcting material misstatements. Our procedures will include:

- Interviewing the Foundation Administrators, Recordkeeper and other personnel
- Observing the application of specific controls
- Inspecting documents and reports
- Selecting and examining a representative sample of transactions and the underlying documentation
- Tracing transactions through the information systems relevant to financial reporting

Determining Audit Risk and Materiality

We will consider audit risk and determine a materiality level for the financial statements for the purpose of:

- Determining the extent and nature of risk assessment procedures
- Identifying and assessing the risks of material misstatement
- Determining the nature, timing, and extent of further audit procedures
- Evaluating whether the financial statements taken as a whole are presented fairly, in all material respects, in conformity with generally accepted accounting principles

In considering audit risk at the overall financial statement level, we will consider risks of material misstatement that relate pervasively to the financial statements taken as a whole and potentially affect many relevant assertions. We will consider audit risk at the individual account balance, class of transactions, or disclosure level. In determining the nature, timing, and extent of audit procedures to be applied to a specific

account balance, class of transactions, or disclosure, we will design audit procedures to obtain reasonable assurance of detecting material misstatements, when aggregated with misstatements in other balances, classes, or disclosures, to the financial statements taken as a whole.

When we establish the overall strategy for the audits, we will consider whether misstatements of items of lesser amounts than the materiality level could, in our judgment, reasonably be expected to influence economic decisions made by users based on the financial statements. The following are some of the factors that we will consider:

- Whether accounting standards, laws, or regulations affect users' expectations regarding the measurement or disclosure of certain items.
- Key disclosures for the financial statements.

Fraud Related Risks

Our standards require that the auditor specifically assess the risk of material misstatement (RMM) of the financial statements due to fraud. Fraud risk factors relate to either material misstatement arising from fraudulent financial reporting or misstatements arising from misappropriation of assets.

The engagement team will hold brainstorming discussions regarding the susceptibility of the Foundation's financial statements to fraud. This will include key members of the engagement team, including the engagement partner and IT auditor. The objective of this discussion is for the engagement team to gain a better understanding of the potential for material misstatements of the financial statements resulting from fraud or error in the specific areas assigned to them, and to understand how the results of the audit procedures they perform may affect other aspects of the audits. The engagement team will discuss:

- Areas of significant audit risk
- Areas susceptible to management override of controls
- Unusual accounting procedures used by the Foundation
- Important control systems
- Materiality at the financial statement and account levels

We will also conduct fraud interviews with various personnel. Our audit procedures will be designed to include matters arising from our fraud risk assessment.

Significant Accounts Selection and Focus

Our quantitative and qualitative application of materiality provides a benchmark for determining significant accounts and class of transactions. This is predetermined at the initial planning stage of the audit and is adjusted as audit evidence is gathered. Our audit methodology automatically selects as significant balances to be tested, all financial statements components/balances equal to or above the quantitative materiality threshold. The audit methodology also allows us to apply judgment in identifying other balances to be selected for testing based on their qualitative significance and known and potential risks.

Use of an Investment Specialist

Due to the significance of investment portfolio as part of the Foundation's overall net position, we engage the use of an investment specialist to independently assess the reasonableness of pricing sources, valuation, and disclosure analysis over the investments and related disclosures. This is particularly important when the portfolio includes complex or alternative investments, or instruments subject to significant market volatility. An investment specialist brings technical expertise in fair value measurement under Financial Accounting Standards Board Accounting Standards Codification (ASC) Topic 820, including evaluation of

valuation methodologies, inputs, and the fair value hierarchy classifications. Engaging a specialist enhances audit quality by providing deeper subject-matter expertise, strengthens risk assessment procedures over a material account balance, and supports the audit team in obtaining sufficient appropriate audit evidence in accordance with professional standards.

TESTING CONTROL EFFECTIVENESS AND SUBSTANTIVE PROCEDURES

Watson Rice will document the Foundation's internal control environment for each significant account or class of transactions. We will identify and evaluate the key controls; select the key controls that will be evaluated; and conduct walkthroughs to ensure that these controls are implemented. Based on the results of the walkthrough exercise, we will reassess control risk and determine whether to conduct a detailed test of the key controls (that is, testing the operating effectiveness of the controls).

We will test the operating effectiveness of the key controls that passed the walkthrough phase, that is, have been appropriately implemented. We will test the operating effectiveness of these controls by determining whether controls are operating as designed and whether the personnel performing the controls possesses the necessary authority and competence to perform the control effectively. We will consider whether to test controls for certain significant accounts or use only substantive procedures which are generally more effective.

Watson Rice's tests of controls over operating effectiveness will include a mix of **inquiries, inspection, observation and re-performance**. Our audit manual provides greater details on our test of control approach. You may request a copy.

Internal controls of a not-for-profit consist of the controls at the Foundation and the controls at applicable service organizations that perform significant functions, including but not limited to processing of payroll transactions. A SSAE 18 report generally provides the most efficient means to obtain and understand the relevant controls at the service organizations. We will read the SSAE 18 reports to determine whether exceptions were identified by the auditors of the service organizations. We will consider the impact of these exceptions on the assessed level of control risk. Based on our assessment, we may decide to perform additional procedures. We will communicate the results of our review of all SSAE 18 reports to the audit committee and management in a timely fashion.

Results of the Test of Controls – Watson Rice will review the results of the various tests of controls, including IT based controls and control at service organizations, to determine whether we can rely on the internal controls and to determine how much more work (*substantive procedures*) is required to gain the level of assurance required. Consideration of these results may require Watson Rice to alter the nature, timing, and extent of substantive procedures and to plan and perform further tests of controls, particularly for identified control deficiencies.

Designing Further Audit Procedures

To reduce audit risk to an acceptable low level, we will document our overall responses to address the assessed risks of material misstatement at the financial statement level, and design and perform further audit procedures whose nature, timing, and extent are responsive to the assessed risks of material misstatement at the relevant assertion level. Our selection of further audit procedures will be based on the risk of material misstatement. The type and extend of further audit procedures will vary based on whether the risk of material misstatement is at the relevant assertion level for each class of transactions, account balance, and disclosure, is higher or lower. Our substantive tests will include a combination of substantive analytical

comparisons and test of details. Our test of details approach will either be test of balances or test of balances based on the respective accounts and class of transactions.

A sample of significant audit areas that we typically test when doing an audit of a not-for-profit is listed below. Our detailed audit methodology is available if required.

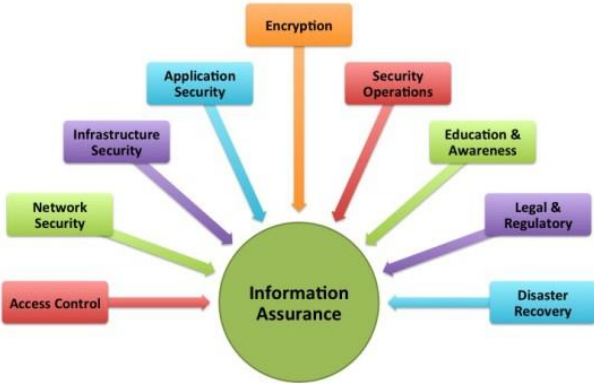
- Cash and Cash Equivalents
- Grants, pledge and contributions receivable
- Investments, Investment Income and Endowments
- Accounts Payable and Accrued Expenses
- With Donor Restrictions and Without Donor Restrictions – ensure appropriate classification of incoming funds and release of funds based on the fulfillment of time of purpose for which the funds were made.
- Refundable Advances, if applicable
- Other Income and their Unrelated Business Income Tax Implications

DATA-DRIVEN FINANCIAL STATEMENTS AUDIT SUPPORT

Watson Rice’s Information Technology (IT) auditors will play a significant role in the audits. Our audit methodology integrates evaluation and testing of computerized information systems into all phases of the audits. Watson Rice has a specialized information technology assurance and control (ITAC) division in our Assurance Practice that supports the information systems technology audit needs of our financial audit teams. Our ITAC specialists are certified in various disciplines such as Certified Information Systems Auditor, Certified Information System Security Professional, and Certified Information Systems Manager.

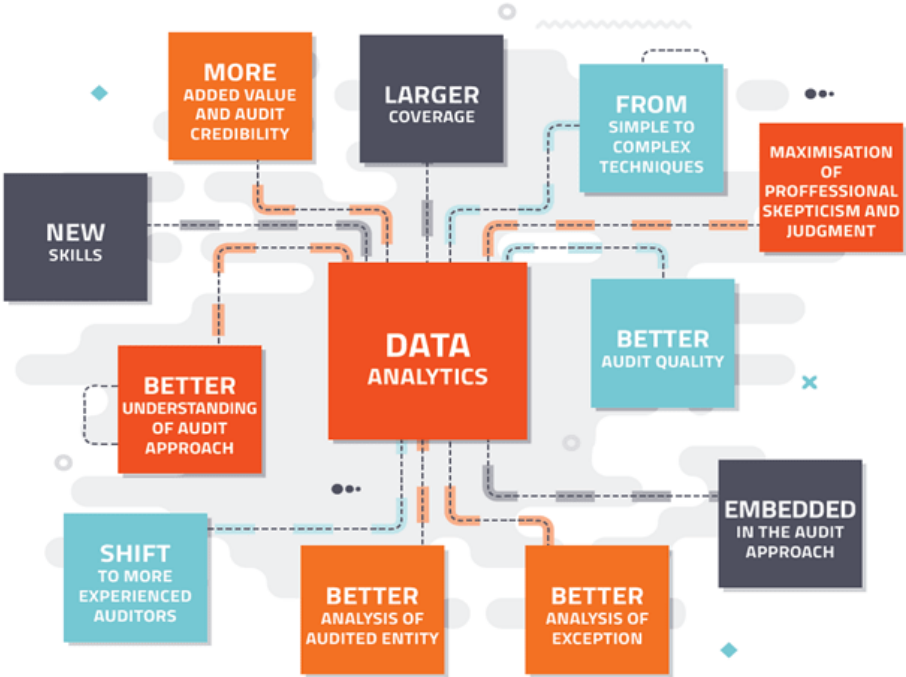
Our auditors have audited complexed ERP systems and use data analysis techniques to assist with

ITAC professionals support the financial audit team by reviewing system-based controls at our clients, and by providing specialized data sampling and analysis. Our ITAC professionals utilize Interactive Data

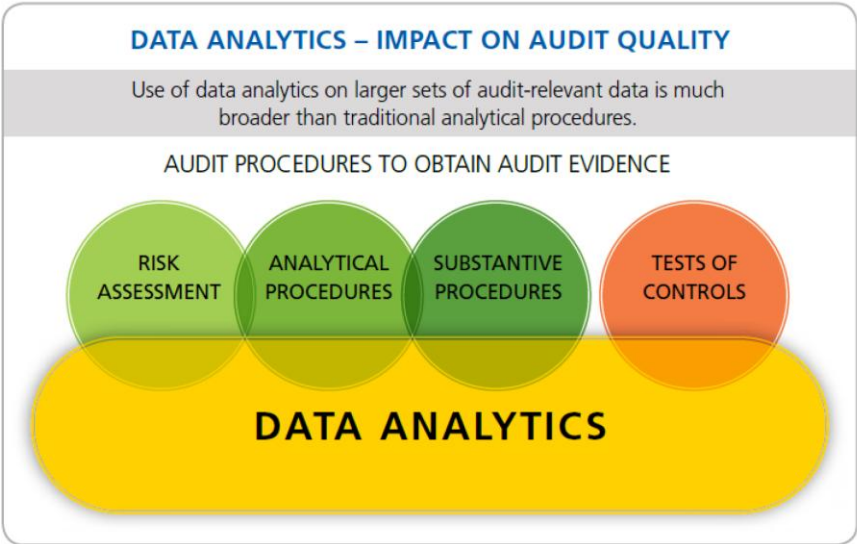


Extraction and Analysis software (IDEA) to analyze and identify plausible relationships among data and provide the financial statements auditor with meaningful insights. This is used to direct our testing. We will work with your personnel to further understand its systems, the processes and controls in place, and will develop thoughtful recommendations to improve them, if necessary. Our IT audit approach will cover the areas shown in the information assurance diagram below.

Audit Data Analytics (ADAs) – We will employ audit data analytics, which focuses on the science and art of discovering and analyzing patterns, identifying anomalies, and extracting useful information in data underlying or related to the subject matter of an audit through analysis, modeling and visualization for the purpose of planning or performing the audit. We will use ADAs to perform a variety of procedures to gather audit evidence in the financial statement audits. Our ADA approach will create various advantages, as follows:



This will impact all phases of the audit, including risk assessment, test of controls, substantive procedures and reporting, as follows:



SAMPLE SIZE AND THE EXTENT TO WHICH STATISTICAL SAMPLING WILL BE USED IN THE ENGAGEMENT

Audit sampling is defined as “the application of an audit procedure to less than 100% of the items within an account balance or class of transactions for the purpose of evaluating some characteristic of the balance or class.” In practical terms, this means audit sampling enables Watson Rice to draw reasonable conclusions about a population by examining evidence from a selected subset of that population.

In performing substantive tests of details, Watson Rice may employ either statistical or non-statistical sampling methods. However, it is our policy to use only statistical sampling in tests of controls, except in cases involving very small populations (250 items or fewer). The sample size in such instances is influenced by the design of the control and the assessed or planned level of control risk. For small populations, items may be selected either randomly or judgmentally, depending on the circumstances. The frequency with which a control is expected to operate will determine the minimum required sample size for these smaller populations.

For larger populations, Watson Rice adheres to the minimum sampling requirements established by the DAS audit methodology, the AICPA guidelines, and Generally Accepted Auditing Standards (GAAS), ensuring a consistent and compliant approach to audit sampling across engagements.

EXTENT OF USE OF IT SOFTWARE IN THE ENGAGEMENT

Watson Rice uses up-to-date cloud-based cutting-edge systems, some of which are provided through Dynamic Audit Solutions (our partner). These systems differentiate us from other firms and deliver cost savings to our clients, streamlines work processes, enhances our ability to be responsive to client needs, and provides the ability to back up all work papers, tax returns, and permanent files.

Watson Rice utilizes the following systems:

- ***DAS OnPoint on CaseWare® on the Cloud platform*** is our engagement document management software that essentially contains audit templates built from the AICPA methodology. This also serves as an electronic binder for audit work paper management. Using CaseWare®, our engagement teams can easily collaborate with team members and rapidly access documents for clients.
- ***Share File*** is a web-based document management library that maintains our audit document request list where the Foundation’s staff will have direct access to post documents as requested. Watson Rice engagement staff will be able to update the document request list and download documents provided by the Foundation’s staff. This system provides real time monitoring of the document request list and open items.

COMMUNICATION WITH MANAGEMENT AND AUDIT COMMITTEE

It is our policy to hold an initial planning meeting with key members of management, including Internal Audit (if applicable) and the Audit Committee. The agenda will include, but will not be limited to, discussion of the topics below. This planning meeting will help to establish priorities and provide proper initial direction up front.

- Initial audit concerns.
- Report requirements and deadlines.
- Initial audit approach and dates.
- Assistance by the Foundation personnel.
- Nature and types of documents and/or accounting records maintained.

Watson Rice understands that the Foundation's Audit Committee is an integral part of the Foundation's governance structure with responsibility for all audit services for the Foundation. Watson Rice will include the Foundation Audit Committee in all entrance and exit conferences and status meetings and provide updates as the audit progresses. We will provide a listing of all information requested during the audit and will review all audit findings and coordinate with management to present audit findings to management for response.

WRAP-UP/REPORTING PROCEDURES

Some of our key wrap-up/reporting procedures will include:

- Discussing potential management letter comments with management.
- Accumulating and communicating all known and likely misstatements identified during the audit
- Auditing standards require that we report to those charged with governance all internal control related matters that we consider to be significant deficiencies in internal control and those significant deficiencies that we consider to be material weaknesses. All matters identified will be fully discussed with management prior to completion of the audit and the final report will include management's comments for each item.
- Performing subsequent event review by reviewing minutes and transactions after year-end.
- Performing procedures to determine any commitments and contingencies.
- Performing final analytical review based on adjusted balances.
- Obtaining management and legal representation letters.
- Preparing and communicating a management letter, if necessary.
- Conducting exit conference with client.

QUALITY CONTROL

Our objective to have our practice meet the highest recognized standards underlies our commitment to the development of stringent quality control procedures. To achieve this objective, all Watson Rice offices follow a uniform audit process and a strict quality control review process. Our quality control procedures include the following:

- **Pre-Issuance Review** – All reports on audited financial statements are reviewed before issuance by our Concurring or Technical Partner who, along with the engagement partner, has extensive experience in the industry. This provides assurance that our audit reports conform to the latest

developments in professional standards.

- **Assignment and Training of Personnel** – We schedule professionals only to engagements for which they have the necessary background and training. Those without the necessary background are trained before an assignment.
- **Supervision** – Our engagement teams are subject to a “chain of supervision” over all the work performed. All audit work papers are reviewed by the person supervising the preparer of the workpapers.
- **Engagement Manager and Partner Review** – Managers and partners assigned to engagements review the audit workpapers and reports. Specifically, the managers review all workpapers supporting our reports and the engagement partners review workpapers of critical audit areas as deemed appropriate.
- **Client Management Review** – Our engagement partner and/or manager review all draft reports with client management and the audit committee before finalizing the reports.

5. MANAGEMENT LETTER & QUALITY MATTERS

Approach to Developing a Management Letter

As part of the audit process, we may identify insightful internal control recommendations that will be reported in a management letter. The letter focuses on significant issues with reasonable recommendations. Typically, the internal control report will include compliance or controls issues that rise to a level requiring a formal finding. Other minor matters as well as others that are not related to compliance or controls may also be included in the report, for example, suggestions for improved efficiencies. Any such items are discussed with management to obtain additional clarity and accuracy prior to being prepared for inclusion in the letter. Any significant matters are communicated to those charged with governance of the audit.

Most Recent Peer Review Report

See firm's most recent peer review report in Appendix A attached.

6. REFERENCES

Client	Morgan State University
Address	1700 E Cold Spring Lane Baltimore, MD 21251
Name of the contract administrator or program manager with verified phone number and email address	Sidney H. Evans, Jr. Chief Financial Officer 443.885.3144 sidney.evans@morgan.edu
Description	Performed the financial statement and compliance audits of Morgan State University as part of the annual financial statement audit of the State of Maryland. Morgan receives research grants from a wide range of federal agencies including the Department of Education, Justice, State, Veterans Affairs, and Transportation as well as the National Science Foundation, Environmental Protection Agency, and Centers for Disease Control and Prevention. WatsonRice's IT specialists performed general and application controls reviews of the control environment, MIS organization, access controls, entity-wide security, change management and control, system software, and service continuity.

Client	Jackson State University Foundation, Inc.
Address	1400 John R. Lynch Street Jackson, MS 39217
Name of the contract administrator or program manager with verified phone number and email address	Ashley N. Wicks Audit Committee Chair 601.985.4547 Ashley.wicks@butlersnow.com
Description	Perform annual audit of JSUDF's financial statements in accordance with Generally Accepted Auditing Standards (GAAS) as accepted in the United States of America. Prepare all applicable reports and present the reports and any findings to the JSUDF Audit Committee and/or the full Board. As well as any other required communications under GAAS or other regulatory or professional requirements.

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Client	Florida Memorial University
Address	15800 NW 42 ND Avenue Miami Gardens, FL 33054
Name of the contract administrator or program manager with verified phone number and email address	Dr. Archie Bouie II Executive Vice President and CFO 305.626.3601 archie.Bouie@fmu.edu
Description	Perform annual audit of FMUs financial statements in accordance with Generally Accepted Auditing Standards (GAAS) as accepted in the United States of America. Prepare all applicable reports and present the reports and any findings to the FMU Audit Committee and/or the full Board. As well as any other required communications under GAAS or other regulatory or professional requirements.

7. APPROACH TO TAX ENGAGEMENT AND STAFFING

Watson Rice understands that the Foundation requires:

Tax Compliance: Prepare Federal Form 990 and any other required federal, state, or local filings for the League.

Ongoing Consultation: Be available throughout the year to provide consultation related to financial reporting, accounting standards, tax compliance, and other regulatory or organizational matters as they arise.

Our tax services to nonprofit organizations and government agencies include the preparation of federal, state and local tax-exempt returns for 501(c)(3) organizations.

We work closely with each client and its tax counsel to resolve tax controversies, including, if necessary, representation before the Internal Revenue Service.

Engagement Leadership and Key Personnel



Baruti Bediako
CPA

Baruti Bediako will serve as the Tax Partner, providing specialized tax support for the financial statement audit and overseeing the preparation and review of IRS Form 990 and related filings for the League. He will ensure that all tax reporting complies with federal, state, and local requirements applicable to civic-based multi-structured nonprofit organizations. Baruti brings more than 40 years of experience advising tax-exempt entities on complex issues such as unrelated business income (UBI) and tax compliance. His deep understanding of nonprofit tax and law, and civic-based organizations enables him to provide strategic insights that enhance both compliance and organizational efficiency.

8. FEE PROPOSAL

PROPOSED FEES

BCA WatsonRice LLP is pleased to submit the following all-inclusive maximum price proposal for independent audit services for the Foundation for fiscal years 2025 through 2029. This cost proposal includes all direct and indirect costs, including labor, travel, report preparation, data processing, administrative support, and out-of-pocket expenses.

Our proposed fee for completion of all services pertaining to the fiscal year June 30, 2025 services will be completed on or before October 7, 2026 is \$58,500. Subsequent years will be subject to a price index increase not to exceed 3% each year.

Our proposed fee for the preparation for IRS Form 990, Return of Organization Exempt from Income Taxes is \$3,000¹. Subsequent years will be subject to a price index increase not to exceed 3% each year.

Additional Consultation

We will not charge for routine phone calls or questions outside the scope of the audit that may arise throughout the year. Should additional consultation be required beyond the suggested 20 hours, our applicable fees and hourly rates are outlined below. Rates will increase by 3% to 5% annually. Any such services will be discussed in advance and agreed upon by all parties prior to commencement.

Role	Hourly Rate
Partner	\$350
Manager	\$255
Supervisor	\$175
Senior Associate	\$150
Associate	\$125
Support Specialist	\$80

PROFESSIONAL FEES

¹We firmly believe that our services reflect maximum value superior quality at a fair price. Our proposed professional fees will reflect WRS sensitivity to your responsibility to control costs. We will cooperate fully to minimize fees, consistent with maintaining professional standards. Rate is inclusive of services detailed above only. Any additional services will be subject to additional billing.

APPENDIX A - PEER REVIEW REPORT



PRIDA, GUIDA & PEREZ, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
2504 W. KATHLEEN STREET
TAMPA, FLORIDA 33607
TELEPHONE: (813) 226-6091
FAX: (813) 229-7754

Report on the Firm's System of Quality Control

September 24, 2025

To the Partners of Watson Rice LLP
And the Peer Review Committee of the
Pennsylvania Institute of CPA's

We have reviewed the system of quality control for the accounting and auditing practice of Watson Rice LLP (the firm), in effect for the year ended March 31, 2025. 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 on 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 and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards. The firm is also responsible for evaluating actions to promptly remediate engagements de reported on 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 an audit of an employee benefit plan.

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 Watson Rice LLP in effect for the year ended March 31, 2025, 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*. Watson Rice LLP has received a peer review rating of *pass*.

Prida Guida & Perez, P.A.

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