



Cummins,  
Coffman &  
Schmidtlein

Certified Public Accountants, P.A.

Terry Cummins, CPA  
Diane Coffman, CPA  
Greg Schmidtlein, CPA

January 28<sup>th</sup>, 2020

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## **Report on the Firm's System of Quality Control**

December 12, 2018

To the Owners of Cummins, Coffman & Schmidtlein, CPA's, PA  
and the Peer Review Committee of the  
Kansas Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Cummins, Coffman & Schmidtlein, CPA's, PA (the firm) in effect for the year ended June 30, 2018. 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](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### **Firm's Responsibility**

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with 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 the system of quality control and the firm's compliance therewith 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.

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 Cummins, Coffman & Schmidtlein, CPA's, PA, in effect for the year ended June 30, 2018, 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*. Cummins, Coffman & Schmidtlein, CPA's, PA has received a peer review rating of *pass*.

*Hay•Rice & Associates, Chartered*

Hay•Rice & Associates, Chartered



Cummins,  
Coffman &  
Schmidtlein

Certified Public Accountants, P.A.

**PROPOSAL FOR ACCOUNTING SERVICES  
PRESENTED TO:**

Topeka Metropolitan Transit Authority  
200 N Kansas Ave  
Topeka, KS 66603

For the Years Ended  
June 30, 2020 - 2024

January 28, 2020

Topeka Metropolitan Transit Authority  
200 N Kansas Ave  
Topeka, KS 66603

Board of Directors:

Thank you for the opportunity to submit this proposal to the Topeka Metropolitan Transit Authority. for audit services for the years ending June 30, 2020 - 2024. Based on our experience obtained working with other similar entities, we are confident we can provide the level of service required for the needs of the Topeka Metropolitan Transit Authority.

#### **Firm Background**

Cummins, Coffman & Schmidtlein, CPA's, P.A. began providing accounting and attestation services over 35 years ago. The firm has offices in Topeka, Kansas and Lee's Summit, Missouri. The firm currently has a staff of nineteen people, with seventeen professionals which includes the three shareholders of the firm. Our client base consists of over 1,500 clients for audit, review, tax, accounting, consulting or other non-audit related services. We serve clients in a variety of industries from not-for-profit, to government, to small business.

Our firm's policy is to provide quality services to our clients by providing accurate financial products, being accessible to our clients, delivering services on time, being courteous, and charging fairly for our services.

It is the policy of our firm that all professional personnel comply with the continuing education requirements of the American Institute of Certified Public Accountants (AICPA). All professional staff maintains an adequate awareness and understanding of current developments in technical literature and assist in the training and development of staff under their supervision.

#### **Firm Experience**

Our experience with organizations requiring single audits is robust and we're one of the few firms in the area qualified to perform these types of engagements. We have provided audit, review, tax and other accounting services to clients who are very similar to your organization for many years. Organizations like yours are some of our favorite clients to work with, not just because of the good nature of the people they employ but because of all the good they do for the community. We are confident we can grow with and serve your organization for many years to come no matter how large you grow.



## **Engagement Team**

The engagement team will consist of the following:

Greg Schmidlein, CPA – has been in public accounting for over 15 years. He is the shareholder in charge of managing the audit department. He received his bachelor's degree in accounting and business administration, as well as his master's degree in accounting and information systems, from the University of Kansas. He is a member of the Kansas Society of Certified Public Accountants and the American Institute of Certified Public Accountants. He has no complaints against him by the state board of accountancy. Additionally, he is on the Board of Directors for the 20/30 Club of Topeka. They are a group that raises money for children's charities in Shawnee County, Kansas.

Terry Cummins, CPA – has been in public accounting for over 45 years. He received both his bachelor's degree in business administration and a master's degree in accounting from Wichita State University. He is a member of the Kansas Society of Certified Public Accountants and the American Institute of Certified Public Accountants. He serves on the adjunct accounting faculty of Washburn University's School of Business. He has no complaints against him by the state board of accountancy.

Additional staff will be utilized as needed during engagement procedures.

## **Audit Procedures**

Upon acceptance of our proposal, a separate engagement letter will be issued for the services you have requested. The engagement letter would include a description of the nature and limitations of our services and the timing of our audit.

The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles (GAAP). Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. We will issue a written report upon completion of our audit of your financial statements. The audit will be addressed to the Board of Directors. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add an emphasis-of-matter or other-matter paragraph. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or withdraw from this engagement.

Our procedures will include tests of the documentary evidence supporting the transactions recorded in the accounts, and may include direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors and financial institutions. At the conclusion of our audits, we will require certain written representations from you about the financial statements and related matters.





An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audits will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Organization or to acts by management or employees acting on behalf of the Organization.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements.

Our audit will include obtaining an understanding of the Organization and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under professional standards.

We will perform these services as expeditiously as possible. We will start as soon as we have information from your office to begin the audit. Your accounting personnel will assist us and cooperate in the timely preparation of trial balances, schedules, and account analyses, provide clerical assistance as needed, and will locate any documents selected by us for testing. Any proposed audit adjustments will be approved by you.

We encourage you to communicate with us when you'll be ready for us to start your audit so we can make sure to get you on our schedule as soon as possible. Typically the audit process will take two to three weeks once work begins to when we're able to report barring unforeseen complications or delays in receiving information.

Greg Schmidlein, CPA, is the engagement partner and will be responsible for supervising the audit and signing the report. Terry Cummins, CPA, will be the manager for the audit.

### **Report Quality**

Audit quality is of the utmost importance to us. We require specific continuing education for our staff. We have peer review which takes place every three years. The firm performs a quality control review of our work annually. We also take a fresh look at each client's report and footnotes prior to the start of each engagement to ensure they are in compliance with the latest accounting standards. After the report is complete and prior to issuing a draft to you the financial statements are carefully examined by a technical reviewer, the engagement manager, and the engagement shareholder.



## **Communication**

Communication is essential and very important to us and to the engagement process. We typically communicate in a variety of manners including meeting in person, emails and phone calls. For important issues with your project that need to be communicated to the financial controller and or the board, we will either meet in person or reach out via phone call.

## **Work by the client**

We strive to make the process as easy for you as we can. Although every effort will be made to minimize the amount of work needed from your personnel; there are still some things we will need your help with. The organization's staff will need to be available at various times for questions, interviews and possibly meetings; although we make every effort to accommodate and work around your schedules.

## **Independence**

The firm, its stockholders and staff are all entirely independent of the Topeka Metropolitan Transit Authority. In the event one of our personnel should no longer be independent with respect to your organization; we'll first notify you of the situation. Then we'll take appropriate steps on our end to restore independence; including removing that person from your engagement.

## **Fee Estimates**

Our proposed fees for a multiyear agreement for the years ending June 30, 2020 - 2024 for the Topeka Metropolitan Transit Authority are estimated to be as follows:

<u>Year</u>	<u>Audit</u>
2020	\$ 19,500
2021	\$ 20,000
2022	\$ 20,500
2023	\$ 21,000
2024	\$ 21,500

We attempt to keep our fees low and our fee increases to a minimum. Barring significant changes to the organization or changes in accounting or audit regulations, fee increases can typically be expected to be around 2.5% a year.

Additional services needed over those listed above will need to be discussed and are billed separately at our hourly rates. However, in some circumstances we can arrive at a fixed fee agreement with you depending on the project. Incidental accounting and tax questions are typically not billable. Unless client inquiries or requests require significant amounts of research or the preparation of a document; we try not to bill so as to keep our fees low for our clients. Our billing rates range from \$60 - \$160 an hour based on expertise.

Overruns that are caused by our actions are not billable. We prevent against overruns by hiring quality people and making sure the projects are bid and managed with close attention to detail. We also encourage open communication with our clients so surprises can be avoided and extra work is not incurred when it does come time to complete the project.





The proposed fees are based on no significant changes in operations, regulations or accounting standards. They are also based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

### **The Difference**

Our firm is different from others in the area for several reasons. We are experienced and well trained because we make it a priority to ensure that our staff is up to date on all of the latest accounting issues through the outside continuing education we receive each year. Unlike other firms, we have almost no turnover. This means you can expect to interact with the same people every year and you don't have to re-explain your company's operations to us. Our rates are fair and affordable and based on the value we will provide you. Unlike other firms, we will not bill you for every second when you call us. We believe in building relationships with our clients and providing quality service that helps your organization succeed. We also believe in providing you with outstanding customer service; whether it's your first year with us or if you've been with us for 10 years. We truly care about our clients and want them to have the best experience possible with us.

We appreciate the opportunity to propose our services to the Topeka Metropolitan Transit Authority. We believe the knowledge and experience of our staff allows Cummins, Coffman & Schmidtlein, CPA's, P.A. to best serve your accounting needs.

Sincerely,

Greg Schmidtlein, CPA  
Shareholder

Cummins, Coffman & Schmidtlein, CPA's, P.A.



## References

*Please make sure that the information on this page is not shared with anyone outside of your organization. We do have permission from the clients to use them as references. We appreciate your help in ensuring the information is kept confidential.*

### **Heritage Management Corporation**

*(This organization manages numerous NFP clients we audit, including some which are OMB Uniform Guidance Audits)*

Marsha Plush  
5629 SW Barrington Court South  
Topeka, KS 66614  
785-273-2995 X103

### **Kansas Land Trust**

Jerry Jost  
Executive Director  
16 East 13<sup>th</sup> Street  
Lawrence, Ks 66044  
785-749-3297

### **Kansas Coalition Against Sexual and Domestic Violence**

Kendra Poole  
Director of Finance and Administration  
634 SW Harrison  
Topeka, Ks 66603  
785-232-9784 Ext 000

PRICE QUOTE

Audit for Fiscal Year Ended 06/30/2020 \$ 19,500

Audit for Fiscal Year Ended 06/30/2021 \$ 20,000

Audit for Fiscal Year Ended 06/30/2022 \$ 20,500

Audit for Fiscal Year Ended 06/30/2023 \$ 21,000

Audit for Fiscal Year Ended 06/30/2024 \$ 21,500

Additional Charges \$ None

Additional Services as \$ Hourly Rates  
requested

\_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ \$ \_\_\_\_\_

Topeka Metro is tax exempt. Do not include sales tax in your proposed price.

**DISADVANTAGED BUSINESS ENTERPRISES (DBE) CERTIFICATION**

This contract is subject to the requirements of Title 49, Code of Federal Regulations, Part 26, *Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs*. The national goal for participation of Disadvantaged Business Enterprises (DBE) is 10%. Metro's overall 2019-2021 goal for DBE participation is 2.00%; the race neutral goal is 1.12%, and the race conscious goal is 0.88%. There is no contract goal for this procurement.

The contractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of this DOT-assisted contract. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as Metro deems appropriate. Each subcontract the contractor signs with a subcontractor must include the assurance in this paragraph (see 49 CFR 26.13(b)).

The contractor is required to pay its subcontractors performing work related to this contract for satisfactory performance of that work no later than 30 days after the contractor's receipt of payment for that work from Metro.

The contractor may not hold retainage from its subcontractors.

The contractor must promptly notify Metro whenever a DBE subcontractor performing work related to this contract is terminated or fails to complete its work, and must make good faith efforts to engage another DBE subcontractor to perform at least the same amount of work. The contractor may not terminate any DBE subcontractor and perform that work through its own forces or those of an affiliate without prior written consent of Metro.

Signature: \_\_\_\_\_

Name and Title: Greg Schmidlein, CPA Managing Shareholder

Company Name: CCS, CPAs, P.A.

Date: 1. 28. 2020



**LOBBYING CERTIFICATION**

The undersigned contractor certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for making lobbying contacts to an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan or cooperative agreement, the undersigned shall complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions. See 49 CFR 20.100.

(3) The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 USC. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure. [Note: Pursuant to 31 USC 1352(c)(1)-(2)(A), any person who makes a prohibited expenditure or fails to file or amend a required certification or disclosure form shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such expenditure or failure. See 49 CFR 20.400.]

The undersigned contractor certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Contractor understands and agrees that the provisions of 31 USC 3801, et seq, apply to this certification and disclosure, if any.

Signature: \_\_\_\_\_

Name and Title: Greg Schmidlein, CPA Managing Shareholder

Company Name: CCS, CPAs, P.A.

Date: 1-28-2020

**NON-COLLUSION CERTIFICATION**

This is my sworn statement to certify that this proposal was not made in the interest of or on behalf of any undisclosed entity. This proposal is not collusive.

This proposer has not been a party to any agreement or collusion in restraint of freedom of competition by agreement to bid a fixed price, to refrain from bidding, or otherwise. This proposer has not, directly or indirectly, by agreement, communication or conference with anyone, attempted to induce action prejudicial to the interest of Topeka Metropolitan Transit Authority, or of any proposer, or anyone else interested in the proposed contract.

Signature: \_\_\_\_\_

Name and Title: Gary Schmidtlein, CPA Managing Shareholder

Company Name: CCS, CPAs, P.A.

Date: 1-28-2020

**QUALIFICATION CERTIFICATION**

The undersigned, being duly authorized to sign and act for the proposer, hereby certifies that all parties involved in the Project as specified in this RFP hold any and all degrees, certifications, and licenses necessary in order to provide goods and/or perform services in the State of Kansas.

Signature: \_\_\_\_\_

Name and Title: \_\_\_\_\_

Company Name: \_\_\_\_\_

Date: \_\_\_\_\_

**SUSPENSION / DEBARMENT CERTIFICATION**

**In regard to 2 CFR Parts 180 and 1200**

In accordance with 2 CFR Parts 180 and 1200, the contractor is required to verify that none of its principals or affiliates:

- 1) is included on the federal government's suspended and debarred list;
- 2) is proposed for debarment, declared ineligible, voluntarily excluded or disqualified;
- 3) within three years preceding this proposal, has been convicted of or had a civil judgment rendered against them for (a) commission of fraud or criminal offense pertaining to performing a public transaction, (b) violation of any federal or state antitrust statute, or (c) embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property;
- 4) is indicted or charged by a governmental entity for any of the charges in 3) above; and
- 5) has had any public transaction terminated for cause or default within three years preceding this proposal.

The contractor is required to include this requirement in any subcontracts related to this contract.

By signing and submitting its proposal, the proposer certifies that the certification in this clause is a material representation of fact relied upon by Metro. If it is later determined that the proposer knowingly rendered an erroneous certification, in addition to remedies available to Metro, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment. The proposer agrees to verify that none of its principals or affiliates is included on the federal government's suspended and debarred list at any time throughout the period of this contract. The proposer further agrees to include a provision requiring the same compliance in its subcontracts related to this contract.

Signature: \_\_\_\_\_

Name and Title: Greg Schmidtlein, CPA - Managing Shareholder

Company Name: \_\_\_\_\_

CCS, CPAs, P.A.

Date: \_\_\_\_\_

1-28-2020