

**UNIVERSITY OF LOUISVILLE STATE
NOTICE OF AMENDMENT/EXTENSION TO PERSONAL SERVICES CONTRACT**

Name and Address of Individual or Firm:

(2) Date: 3/26/2014

(1) Strothman and Company

1600 Waterfront Plaza

Louisville, KY

Personal Services Contract No. (3) 14-039 dated (4) 11/15/2013, between you and

(5) University of Louisville is being amended/extended as follows:
(Agency)

(6) ☒ **AMENDMENT:** To increase original amount by \$100,000.00 KMS ~~\$400,000.00~~ to cover consultation for implementation of recommendations.

(7) ☐ **EXTENSION:** If contract is to be extended beyond the original expiration date, please indicate new time period below. Note: Contract cannot be extended beyond the current biennium.

FROM: _____ TO: _____

(8)

Dept. Name Kathleen Smith
Dept. Contact _____
Dept. Phone _____

All other terms and conditions of this contract except as modified above remain the same.
Please signify your acceptance of the above amendment/extension to the contract by affixing your signature in the space provided below.

(10) **RECOMMENDED BY:**

Kathleen M. Smith
Chair/Department Head

"Signature confirms that funds are available to cover the cost of these services"

KATHLEEN SMITH 3/28/14
Printed Name Date

FIRST PARTY (University of Louisville):

M. H. Payne
Vice President for Business Affairs

M. H. PAYNE 3/31/2014
Printed Name Date

REVIEWED AS TO FORM & LEGALITY:

[Signature]
Attorney, University of Louisville
GLORIA G. BARNES 3/31/14
Printed Name Date

(9) **SECOND PARTY:**

WILLIAM G. MEYER PARTNER
Signature & Title
WILLIAM G. MEYER 3/31/14
Printed Name Date

RECOMMENDED BY:

[Signature]
Purchasing Officer or Authorized Representative
David Martin 3/31/14
Printed Name Date

Updated 8/23/04

**UNIVERSITY OF LOUISVILLE STATE
NOTICE OF AMENDMENT/EXTENSION TO PERSONAL SERVICES CONTRACT**

Name and Address of Individual or Firm:

(2) Date: 2/10/2014

(1) Strothman and Company

1600 Waterfront Plaza

Louisville, KY

Personal Services Contract No. (3) 14-039 dated (4) 11/15/2013, between you and

(5) University of Louisville is being amended/extended as follows:
(Agency)

(6) ☐ **AMENDMENT:**

(7) ☒ **EXTENSION:** If contract is to be extended beyond the original expiration date, please indicate new time period below. Note: Contract cannot be extended beyond the current biennium.

FROM: 3/31/2014 TO: 6/30/2014

(8)

Dept. Name _____
Dept. Contact _____
Dept. Phone _____

All other terms and conditions of this contract except as modified above remain the same.
Please signify your acceptance of the above amendment/extension to the contract by affixing your signature in the space provided below.

(10) **RECOMMENDED BY:**

Kathleen M. Smith
Chair/Department Head

"Signature confirms that funds are available to cover the cost of these services"

Kathleen M. Smith 2/10/2014
Printed Name Date

FIRST PARTY (University of Louisville):

M. H. Payne
Vice President for Business Affairs

Mitchell H. Payne, J.D. 2/24/14
Printed Name Date

REVIEWED AS TO FORM & LEGALITY:

Angela D. Koshewka
Attorney, University of Louisville

Angela D. Koshewka 2/14/2014
Printed Name Date

(9) **SECOND PARTY:**

W. S. Meyer III PARTNER
Signature & Title

WILLIAM G. MEYER III 2/10/14
Printed Name Date

RECOMMENDED BY:

Sally Jensen Molsberger
Purchasing Officer or Authorized Representative

Sally Jensen Molsberger 2-12-14
Printed Name Date

Updated 8/23/04

UNIVERSITY OF LOUISVILLE
PURCHASING DEPARTMENT

STATE CONTRACT
FOR PERSONAL SERVICES

Personal Service Contract Number PS <u>14-039</u>
PeopleSoft SpeedType _____
Encumbrance Amt. _____

This Contract ("Agreement") is effective on _____
(date of delivery to the Legislative Research Commission)
This Contract ("Agreement") expires _____

THIS CONTRACT ("Agreement") is made and entered
into this 15th day of November, 20 13, by and
between the University of Louisville, hereinafter referred to

as the "First Party," and

Strothman and Company

61-1191655

(Name of Individual or Firm)

(Social Security Number/Federal ID Number)

1600 Waterfront Plaza, 325 West Main Street, Louisville, KY 40202

(Address)

hereinafter referred to as the "Second Party."*

*Second Party, or any principal thereof, will indicate by checking the appropriate box below if employed by the University of Louisville or any affiliate.

University of Louisville Employee?

Yes

☐

No

☒

If Yes, Name _____

If yes, Second Party agrees to accept the agreement based on the law set forth in KRS45A.340 as it relates to conflicts of interest of public officers and employees.

WHEREAS, the First Party, in the exercise of its lawful duties, has determined upon the necessity of the performance of the following-described function(s):

A special examination of the processes and procedures of Internal Audit, survey banking to
identify UofL accounts, evaluate internal controls related to signature authority and vendor
legitimacy, and examine the financial controls for faculty professional practice (see proposal
attached).

WHEREAS, the First Party has concluded that either state personnel are not available to perform said function, or it would not be feasible to utilize state personnel to perform said function; and

WHEREAS, the Second Party is available and would be qualified to perform such function; and

WHEREAS, for the hereinbefore-stated reasons, the First Party desires to avail itself of the services of the Second Party,

NOW, THEREFORE, it is mutually agreed by and between the parties hereto as follows:

1. **SERVICES**

The Second Party will perform the services which are described with particularity in the attached letter (to which reference is made below) which is made a part hereof as if fully incorporated herein, or, if no letter is necessary, as hereinafter described with particularity as follows. Where applicable, both parties will work with the University of Louisville Office of Communications and Marketing to ensure compliance with the First Party's graphic identity standards and strategic planning/branding initiatives.

See attached proposal responding to RPF160-PSC for detail on services of vendor.

2. **CONSIDERATION**

A. **FEE**

As fee for the services hereinbefore set forth, having been performed to the satisfaction of the First Party, the First Party agrees to pay the Second Party:

a sum not to exceed \$ 160,800.00

to be paid in the following manner or on the following terms: (Please state frequency of payment, amount to be paid for specific services rendered/milestone accomplished).

Invoice submitted every 30 days.

The Second Party's invoice(s) for fee shall be signed and shall include not less than the following information: Time, purpose, date, and progress report.

The Second Party shall maintain supporting documents to substantiate invoices and shall furnish same if requested by the First Party.

The First Party payment terms are net 30 days, subject to applicable funding approval.

B. **TRAVEL EXPENSES**, if authorized herein.

The Second Party shall be paid for no travel expenses unless and except as specifically authorized by this paragraph as follows:

Travel expenses, if authorized, shall be billed in the following manner:
Cost plus time, plus purpose, and approval in advance.

C. OTHER EXPENSES, if authorized herein.

The Second Party shall be reimbursed for no other expenses of any kind, unless and except as specifically authorized as follows:

Itemized listing and approved in advance.

If the reimbursement of such expenses is authorized, the reimbursement shall be only on an out-of-pocket basis. Request for payment of same shall be processed upon receipt from the Second Party of valid, itemized statements submitted periodically for payment at the time any fees are due. The Second Party shall maintain supporting documents that substantiate every claim for expenses and shall furnish same if requested by the First Party.

D. MAXIMUM FOR FEE AND EXPENSES

The Second Party's fee, travel expense reimbursement (if any) and other expense reimbursement (if any) relative to the services shall not exceed a total of \$ 175,000.00.

3. INVOICING

- A. Invoicing for Fee: The Second Party's fee shall be original invoice(s) and shall be signed by the Second Party. The invoice(s) must conform to the method prescribed under Section (2), Consideration, Paragraph A.
- B. Invoicing for Travel Expenses: The Second Party must follow instructions prescribed under Section (2), Consideration, Paragraph B. Either original or certified copies of receipts must be submitted for airline tickets, motel bills, restaurant charges, rental car charges, and any other miscellaneous travel expenses.
- C. Invoicing for Miscellaneous Expenses: The Second Party must follow instructions prescribed under Section (2), Consideration, Paragraph C. Expenses submitted shall be either original or certified copies.
- D. The Kentucky Model Procurement Code was recently amended to establish conditions for invoicing for fees for personal service contracts. "No payment shall be made on any personal service contract unless the individual, firm, partnership or corporation awarded the personal service contract submits its invoice on a form established by the committee." The Government Contract Review Committee has adopted a personal service contract invoice form that must be submitted with each invoice as a condition of payment. The Personal Service Contract Invoice Form shall be used for this purpose and may be found online at <http://louisville.edu/purchasing/forms/pscinvoiceform.pdf>.

4. SIGNIFICANT CONTRACT DATES

A. EFFECTIVE DATE

This agreement is not effective unless and until the agreement is filed with the Legislative Research Commission, with agreement accompanied by documentation of the need for such service and by documentation that state personnel are not available to perform such service or that it is not feasible for state personnel to perform such service.

B. DATES WORK IS TO BE PERFORMED

The period within the current fiscal year in which the services are to be performed under this agreement is from November 15, 2013, to March 31, 2014.

(Month & Day)

(Month & Day)

C. EARLIEST DATE OF PAYMENT

No payment on this agreement shall be made before completion of the review procedure provided for in KRS 45A.705, unless and until alternate actions occur as set out in KRS 45A.695(7).

5. EXTENSIONS

At the expiration of its initial term, this agreement may, at the option of the parties hereto, be extended upon the same terms and conditions as set forth herein for further periods not to exceed twelve (12) months each, subject to the advance approval of the Director of Purchasing. The terms and conditions of this agreement may be extended or amended according to the provisions of KRS Chapter 45A, and are subject to the approval of the Director of the Department of Purchasing and/or the Legislative Research Commission's Government Contract Review Committee.

6. SOCIAL SECURITY

The parties are cognizant that the First Party is **not** liable for Social Security contributions pursuant to Section 418, 42 U.S. Code, relative to the compensation of the Second Party for this agreement.

7. CANCELLATION

The First Party shall have the right to terminate and cancel this agreement at any time upon thirty (30) days' written notice served on the Second Party by registered or certified mail.

8. PURCHASING AND SPECIFICATIONS

The Second Party certifies by his signature hereinafter that he will not attempt in any manner to influence any specifications to be restrictive in any way or respect, nor will he attempt in any way to influence any purchasing of services or commodities by the First Party. For the purpose of this paragraph and Paragraph 9, "he" is construed to mean "they" if more than one person is involved and if a firm, partnership, corporation, or other organization is involved then "he" is construed to mean any person with an interest therein.

9. CONFLICT-OF-INTEREST LAWS AND PRINCIPLES

The Second Party hereby certifies by his/her signature hereinafter that he/she is legally entitled to enter into the subject agreement and certifies that he/she is not and will not be violating any conflict of interest statute, including KRS 45A.330 - 45A.340, 164.390, 45A.990 or KRS 11A.040 of the Executive Branch Code of Ethics, relating to the employment of former public servants.

All Bidders shall comply with the Copeland "Anti-Kick Back" Act (18 USC 874) as supplemented in the Department of Labor Regulations (29 CFR, Part 3). This Act provides that each Bidder, subcontractor or subgrantee is prohibited from inducing, by any means, any person employed in the construction, completion or repair of public work to give up any part of the compensation to which he is otherwise entitled.

Conflicts: The Second Party hereby certifies that (1) neither he/she nor any member of his/her immediate family¹ is an employee of the University of Louisville or one of its affiliated corporations ("UofL employee") (2) no officer/managing partner of the Second Party nor any member of the officer's/managing partner's immediate family is a UofL employee and (3) no employee of the Second Party performing services for this Agreement nor that employee's immediate family is a UofL employee. The Second Party further certifies that neither he/she nor any member of his/her immediate family have contributed more than the amount specified in KRS 121.056(2), to the campaign of the gubernatorial candidate elected in the Commonwealth of Kentucky at the election last preceding the date of this Agreement. The undersigned's authorized signatory for the Second Party further swears under the penalty of perjury, that neither he/she nor the Second Party which he/she represents, has knowingly violated any provisions of the campaign finance laws of the Commonwealth, and that the award of this Agreement to him/her or the Second Party which he/she represents will not violate any provisions of the campaign finance laws of the Commonwealth.

10. COMPLIANCE AND CHOICE OF LAW

Second Party will comply with all applicable law, regulation and University of Louisville Policy. All questions as to the execution, validity, interpretation, construction and performance of this agreement shall be governed by

¹ Immediate family means the individual's biological, foster or adoptive parent, a stepparent, spouse, qualifying adult, a biological, adoptive or foster child, a step child, a legal ward or a person whom the individual has (or had during the person's youth) daily responsibility and financial support, mother, father, brother, sister, son, daughter, mother-in-law, father-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, grandparents, and grandchildren of both the individual and spouse and / or qualifying adult. A qualifying adult must be over 18 years of age, and, if a blood relative (or relative by adoption or marriage) must be of the same or younger generation of the individual (as used in KRS 391.010), and, must be residing in the individual's household and have done so for a period of at least 12 months, and, must be financially interdependent (for example, have joint checking account or joint mortgage) for 12 months or longer, and, must be unmarried.

the laws of the Commonwealth of Kentucky. Furthermore, the parties hereto agree that any legal action which is brought on the basis of this agreement shall be filed in the Franklin County Circuit Court of the Commonwealth of Kentucky.

11. **FEDERAL SUPPLIER CERTIFICATION**

Are federal funds being used? Yes ☐ No ☒

If yes, please have attached Supplier Certification completed.

12. **OWNERSHIP OF INTELLECTUAL PROPERTY:** Second Party agrees that any and all inventions, improvements, modifications, discoveries, information, data and materials (hereinafter collectively "Intellectual Property") which are conceived, invented, authored, developed and/or reduced to practice in the performance of this agreement, are the sole property of the University of Louisville Research Foundation, Inc., a Kentucky non-profit corporation as the agent of the First Party for receiving grants and research agreements from external funding sources and which owns and controls intellectual property on behalf of the UofL ("ULRF"), and Second Party agrees to assign and does hereby assign to ULRF all rights, title, and interest in such Intellectual Property. Intellectual Property for which a copyright could be registered, including but not limited to software, computer programs, databases, web pages and documentation, and/or source code, (collectively, "Works") developed by Second Party for First Party, shall be considered "work for hire" such that ULRF, not Second Party, shall have full and complete ownership of all Works developed. Second Party shall provide such Works to First Party when completed, but no later than at the termination or expiration of this Agreement. To the extent that any Works may not, by operation of law, be a work made for hire in accordance with the terms of this Agreement, Second Party hereby assigns to ULRF all right, title, and interest in and to any copyright covering such Works, and ULRF shall have the right to obtain and hold in its own name any copyrights, registrations, or other proprietary rights that may be available. Second Party agrees to safeguard and keep confidential said Intellectual Property and all information (including records and dates) acquired from any source or developed by it in the performance of this Agreement. These conditions shall survive this Agreement.
13. **LOBBYING ACTIVITIES:** The Second Party certifies that it has and will continue to fully comply with the Lobbying Disclosure Act of 1995, and other applicable laws, with regard to services under this Agreement with First Party and will maintain documentation of such compliance available for inspection by First Party as its designated agents. No funds from the agreement are to be used for any campaign for or against any candidate for public office.
14. **BILLING SERVICES: Audits:** The First Party shall be informed by the Second Party of any audit by the Second Party of its records and operations at the University. The First Party shall receive a full report of any such audits. The First Party or its designee shall have the right to conduct its own audit of the Second Party's records as they relate to this contract by giving seven (7) working days notice to the Second Party. The First Party shall notify the Second Party, in writing, of any deficiency made known as a result of said audits, in their accounting procedures. If the First Party should uncover any billing discrepancies of more than one (1) percent, the cost of such audit shall be at the Second Party's expense.
15. **INDEMNIFICATION:** The Second Party hereby agrees to indemnify and hold the First Party harmless from and against any costs, liability, expenses (including reasonable attorney fees), damages, and lawsuits whatsoever arising from the Second Party's performance of the terms of this agreement.
16. **ELIGIBILITY TO PARTICIPATE IN GOVERNMENTAL PROGRAMS CERTIFICATION:** Second Party's signature on this Agreement certifies that the Second Party, and where applicable subcontract Second Party, or any person performing services under this Agreement (i) is not now nor have ever been excluded, suspended, debarred or otherwise deemed ineligible to participate in governmental healthcare, procurement, or other programs; (ii) is not now nor have ever been charged with or been convicted of a criminal offense related to the provision of government healthcare, procurement, or other programs and have not been reinstated in such programs after a period of exclusion, suspension, debarment, or ineligibility. If the Second Party, and where applicable subcontract vendor, or any person performing services under this agreement becomes ineligible for participation in such governmental programs in the future, Second Party will have a process in place such that subcontract vendor(s) and any person performing services under this Agreement will promptly notify the Second Party of such ineligibility. The Second Party will notify the University Purchasing Office within seventy-two (72) hours of the Second Party becoming aware of the governmental ineligibility of the Second Party, any subcontract vendor, or any person performing services under this Agreement.

17. **ENTIRE UNDERSTANDING:** This Agreement represents the entire understanding and agreement between the parties relating to the services and supersedes all prior negotiations and agreements relative thereto. The language in all parts of this agreement shall in all cases be construed as a whole according to its fair meaning and not strictly for or against either University or Second Party. No provision of this agreement may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest.
18. **AUTHORITY TO CONTRACT:** Second Party and the principal signing on its behalf, certifies that it is validly organized with authority to do business and perform the terms hereunder, is qualified to do business in KY, if applicable, and is not prohibited from entering into or performing the terms of this agreement for any reason.

UNIVERSITY OF LOUISVILLE

RECOMMENDED BY:

Kathleen M. Smith

Chair/Department Head

Signature confirms that funds are available to cover the cost of these services

Kathleen M. Smith

Printed Name

Date

FIRST PARTY:

M. H. Payne

Vice President for Business Affairs

Mitchell Payne

11-12-13

Printed Name

Date

REVIEWED AS TO FORM & LEGALITY:

Angela Koshewa

Attorney, University of Louisville

Angela Koshewa

11-12-13

Printed Name

Date

SECOND PARTY:

William G. Meyer III

Signature & Title

WILLIAM G. MEYER III

11/8/13

Printed Name

Date

RECOMMENDED BY:

Sally Molesberger

Purchasing Officer or Authorized Representative

Sally Molesberger

11-8-13

Printed Name

Date

NOTE:

Second Party may not begin work until contract has been received by the Legislative Research Commission. Receipt of a University of Louisville Purchase Order will be the department's notification that payment may be made.

9/21/12

Dept. Name Office of the President

Dept. Contact Kathleen Smith

Dept. Phone 502-852-5419

Proposal to Provide Professional
Services For

2013

The University of Louisville

Special Comprehensive Financial
Examination and Audit

October 2013



Strothman+Co

Proposal To Provide Services For
The University of Louisville

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Strothman and Company
Certified Public Accountants and Advisors
1600 Waterfront Plaza
325 West Main Street
Louisville, KY 40202
502.585.1600



October 14, 2013

Ms. Kathleen M. Smith, Chief of Staff
Office of the President
The University of Louisville
102 Grawemeyer Hall
Louisville, Kentucky 40292

Dear Ms. Smith:

Strothman and Company is pleased to submit our proposal to the University of Louisville for the Special Comprehensive Financial Examination and Audit. As a local leader in providing audit services to large governmental organizations, we are confident that our proposal will demonstrate that we are qualified to meet the needs of the University for this important special project. We bring the highest level of professionals with numerous years of experience in audit and financial examinations. This proposal will explain the scope and approach of the services we will provide, our experience, our ability to serve you and our connection to the community.

We believe the University of Louisville will realize significant benefits from working with Strothman and Company on this project. These benefits include the following:

1. **Experience with large governmental organizations.** Strothman and Company has developed a niche working with several large governmental organizations within the Commonwealth. We understand the needs and unique issues facing a governmental institution such as the University of Louisville. With increased scrutiny in today's governmental sector, using Strothman and Company for this important project would strengthen the University's reputation as an institution of integrity as well as academic excellence.

Additionally, working in this sector has given us significant experience in working with large internal audit departments. We have learned the important skill of working closely with an internal department, yet maintaining the independence and objectivity expected of an external auditor.

We currently serve or have recently served as auditor the following large governmental organizations:

- **Jefferson County Public Schools** has total assets of almost \$1 billion. With over 170 schools and 100,000 students, it is a complex organization. We have performed this audit since 1995. Our reference is Eddie Muns, Director of Accounting (502.485.3146).
- **Louisville-Jefferson County Metro Government** has over 50 departments, over 6,000 employees, a total of budget of approximately \$760 million and nearly \$5 billion in total assets. References include Angela Dunn, Executive Administrator-Treasury (502.574.3822) and Stephanie Moore, Executive Administrator-Accounting and Financial Reporting (502.574.6093).

- **Fayette County Public Schools**, a client since 2006, has over 40,000 students, 6,000 employees and about \$580 million of total assets. Our reference is Rodney Jackson, Director of Financial Services (859.381.4340).
- The **Kentucky Higher Education Assistance Authority** and the **Kentucky Higher Education Student Loan Corporation** have combined total assets of \$1.8 billion. David Carlsen, Chief Financial Officer (502.329.7149), is a reference for us for these organizations.

Other large governmental organizations we have served include Louisville/Jefferson County Metropolitan Sewer District, the Louisville Water Company, and Kentucky Housing Corporation, among others.

2. **Experience with large for profit businesses.** We serve many large businesses such as Whayne Supply Company, Creative Alliance, Orr Safety Corporation, Mercer Transportation and Toyotomi America Corporation. The internal controls in large organizations such as these are complex and have given us the experience analyzing and testing internal controls in such an environment.
3. **Experience in the higher education industry.** We have experience with institutions of higher learning and understand the special needs and the challenges they face. Currently, we serve as the auditor of Lindsey Wilson College, the second largest private college in Kentucky. We also recently audited Bellarmine University. The engagement partner, Bill Meyer, has also managed the audits the University of Kentucky, Murray State University, Kentucky State University, Centre College and Georgetown College during his career.
4. **We have two Certified Fraud Examiners on our staff.** They are licensed by the Association of Certified Fraud Examiners ("CFE"). Jason Aberli and Josh Zik have the ability to provide a wide range of forensic services, including internal control assessments. In order to maintain their CFE licenses in good standing, they must stay current with the most recent trends in financial frauds and related detection methods. More specifically, they have received specialized training on interviewing skills, cash disbursement schemes and internal control examinations. Jason and Josh will be available to assist with designing tests and providing recommendations for improvement in internal controls.

During the previous two years, Strothman and Company has performed several financial examinations which focused on assessing the adequacy of the design and the operation of internal controls.

5. **Two Certified Information System Auditors on staff.** We maintain a high level of technical expertise and skills. Our technology division includes six consultants with an average fourteen years of experience per team member. We currently have two staff members who are Certified Information System Auditors ("CISA") licensed by the Information Systems Audit and Control Association. The benefits of having an auditor with the CISA designation involved in this project means having someone who is proficient in technology controls and has experience in process management analysis and data reliability evaluation.
6. **We are a substantial firm with the resources to serve you.** Strothman and Company is one of the top five largest Kentucky owned CPA firms. We have 60 employees in our 16,500 square foot offices in downtown Louisville, Kentucky. Our employees have a wide range of specialty credentials.

7. **Connection to the community.** One of the criteria in your request for proposal was connectivity to the community. Aside from serving governmental and corporate entities, we provide a wide array of services to individuals who are deeply connected to the Louisville community. The following is a few of our clients available for reference:

- Mr. David A. Jones, Sr., co-founder of Humana, Inc. and 21st Century Parks
- Mr. Henry Heuser, Jr., owner of Henry Vogt Machine Co. and UniStar LLC
- Ms. Debbie Scoppechio, founder and CEO of Creative Alliance, Inc.
- Mr. Joseph A. Yoerg, Executive Vice President and CFO of Wayne Supply Company

Additionally, Strothman and Company was recently awarded the We Care Award sponsored by Republic Bank, which is given to local companies whose employees are giving back to the community. We also won the top spot in the *Business First* Partners in Philanthropy awards two years in a row (2013 and 2012). One of our core values is unselfish community service and we encourage all of our professionals to be benevolent members of our community.

Our entire team looks forward to the opportunity to serve the University of Louisville. If you have any questions about our proposal or services, please call us at 502.585.1600.

Sincerely,



William G. Meyer III CPA CVA ABV CFF CGMA
Partner

U of L College of Business, B.S. in Accounting, 1981

Firm Background

Strothman and Company is a regional public accounting and consulting firm based in downtown Louisville, Kentucky and is one of the largest CPA firms in Kentucky. With eight partners and 60 staff, we serve the accounting, audit, tax and consulting needs of Kentucky and Southern Indiana businesses, individuals, governmental, nonprofit and public sector entities. We serve clients in a wide variety of industries and are uniquely positioned between the large international and small accounting firms. This allows us to have the critical mass to be able to provide a wide range of quality services, while still being organized to work closely with each client on a person-to-person basis.

Since 1983, Strothman and Company has increased the number and variety of clients every year. Client service and resulting client retention has been an integral part of our continued growth. All of our partners and several of our other professionals have previous international CPA firm experience. The combination of technically competent experienced professionals, a strategic plan to provide proactive client services, and the development of professional relationships with some of the leading area businesses and nonprofit organizations has established Strothman and Company as a leading regional CPA firm. Our partners and professional staff are active in the community as officers in civic and trade organizations. Strothman and Company professionals also frequently make speeches and lead seminars on various business, tax and accounting issues. We have an excellent reputation in the community and are frequently recommended to business owners by bankers, attorneys and other professionals.

At Strothman and Company, we take special pride in providing financial and business services to many key nonprofit organizations in the region. Unselfish community service is one of our core values, and many of our team members are deeply committed to local charities. You'll find no firm more dedicated to the success of your mission.

The Strothman and Company mission is to provide exceptional CPA, Technology and Financial Solutions through the highest caliber employees, innovative practices and strategic alliances in a manner that exceeds our client's expectations.

The core values of Strothman and Company incorporate this mission with an attitude for success.

The right Attitude leads to Success in all that we do as shown by our Core Values - **ATTITUDE**.

- Ambition
- Technical Excellence
- Teamwork
- Integrity
- Trust
- Unselfish Community Service
- Determination
- Enthusiasm

Firm Background--continued

We set ourselves apart from other firms by investing in our people, by recruiting and training the best and brightest people who share our core values, and by creating client satisfaction and loyalty by the practice of being our client's **ADVOCATE**.

Our Client Service Model is as follows:

- **Ally** for our clients
- **Dedicated** to exceptional client service
- **Value added** resource
- **One source** for client's financial needs
- **Committed** to our client's success
- **Always working** to increase client net worth
- **Total focus** is to serve our clients
- **Exceed** our client's expectations

Additionally, we set ourselves apart from other firms by the quality and timeliness of our communications with clients. Ongoing communication with our clients is a key part of our quality service commitment. Examples include: periodic telephone calls, informal meetings and timely correspondence contribute to our service commitment. Communication is our most important service. Your organization will benefit from the promptness and quality of communication with Strothman and Company.

Engagement Team

The success of every organization is based primarily on the quality of its people. Our hiring strategy is to employ professionals who have the appropriate technical abilities and who share our philosophy of service. In addition to having excellent technical skills, our firm hires people who will deal effectively with your staff in a professional and friendly manner.

William G. Meyer III CPA CVA ABV CFF CGMA



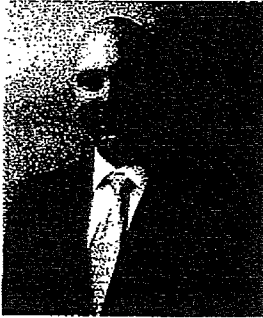
- Engagement Partner
- 30 years of experience
- University of Louisville graduate with honors in Accounting.
- Outstanding Accounting Alumnus - University of Louisville Beta Alpha Psi - 2000
- Immediate past President of the Kentucky Society of CPA's
- Family and Children's Place - Board Chair

Bill's higher education and governmental experience includes the following:

- Lindsey Wilson College
- Bellarmine University
- The University of Kentucky
- Kentucky State University
- The Centre College of Kentucky
- Kentucky Higher Education Assistance Authority
- Kentucky Higher Education Student Loan Corporation
- Louisville/Jefferson County Metro Government
- Jefferson County Board of Education
- Louisville/Jefferson County Metropolitan Sewer District
- Louisville Water Company
- Kentucky Housing Corporation

Engagement Team—continued

Jason Aberli CPA, CFE



- Senior Assurance Manager
- 10 years of experience
- Certified Fraud Examiner
- Member of the national and local chapters of the Association of Certified Fraud Examiners
- Bellarmine University graduate - Bachelor's degree in Business Administration
- Concentration in accounting courses obtained from The University of Louisville
- Member of Forensic Accounting Committee of CPA Associates International
- First Tee of Louisville - Treasurer and Director

Jason's higher education and governmental experience includes the following:

- | | |
|--|---|
| • Louisville/Jefferson County Metro Government | • Bellarmine University |
| • Kentucky Higher Education Assistance Authority | • Louisville Water Company |
| • Kentucky Higher Education Student Loan Corporation | • Louisville/Jefferson County Metropolitan Sewer District |

Lisa Holden CIA CISA CISSP PMP



- Senior Technology Manager
- 10 years of experience in the technology field including internal audit, information security and IT consulting
- Internal auditor for Humana, Inc. for over 10 years
- Experience with Sarbanes-Oxley, HIPAA, PCI, FFIEC and other compliance reviews
- Experience with high volume data mining using computer assisted auditing tools (ACL, SQL, Oracle tools)
- Cleveland State University graduate with a Bachelors degree in Business Administration
- President of Kentuckiana chapter of ISACA (2008-2010)

Lisa's large private company and governmental client list includes:

- | | |
|--|--|
| • Wayne Supply Company | • Louisville/Jefferson County Metro Government |
| • Kentucky Higher Education Assistance Authority | • The Rawlings Group |
| • Kentucky Higher Education Student Loan Corporation | • Jefferson County Board of Education |

Engagement Team—continued

Jeanna Jones CPA



- Senior Assurance Manager
- 15 years of experience
- Significant experience with governmental and non-profit entities, including colleges and universities.
- Graduate of Indiana University with a Bachelors degree in Business Administration and a concentration in accounting
- Goodwill Industries of Kentucky - Audit Committee Chair, Finance Committee member, Board member
- Big Brothers/Big Sisters of Kentuckiana - Finance Committee member

Jeanna's higher education and governmental experience includes the following:

- Lindsey Wilson College
- Bellarmine University
- Jefferson County Board of Education
- Fayette County Board of Education
- Warren County Board of Education
- Kentucky Housing Corporation

Jennifer Archie CPA CGMA



- Senior Assurance Manager
- 20 years of experience
- Specializes in serving governmental entities, school districts and non-profit organizations.
- Graduate of Western Kentucky University with a Bachelors degree in Accounting.
- Kentucky Humane Society - Tuxes and Tails Committee member
- Louisville East/Middletown Chamber of Commerce - Board member

Jennifer's governmental and educational client list includes:

- Bellarmine University
- Louisville Jefferson County Metro Government
- Fayette County School District
- Warren County School District
- Louisville Arena Authority
- Louisville Metro Revenue Commission
- Louisville and Jefferson County Riverport Authority
- Waterfront Development Corporation

Scope of Services and Professional Fees

We provide the best possible service at competitive and reasonable fees. We make significant investments in our people, technology and training, but otherwise strive to keep our other expenses low. Our lower overhead structure provides the opportunity to offer fees that are more reasonable than national or regional firms.

We will perform the services outlined below for the following fees:

Auditing Services

- A. Examine all internal audit reports issued by the Office of Internal Auditor at the University of Louisville since 2007 and validate the implementation of the recommendations in these reports.**

We will perform an examination of all audit reports issued by the Office of Internal Auditor at the University of Louisville since 2007. This examination will include a review of the following:

- Scope of the audit report
- Evaluation of criteria used to determine compliance with University policy
- Sampling methodology used
- Implementation and monitoring of recommendations

We will also consider the consistency of Internal Audit's recommendations with sound internal control practices. We will communicate any areas where we believe Internal Audit was deficient in recommending an internal control.

The estimated fees for this service are \$60,000, with the individual billing rates being in compliance with those rates established by the Legislative Research Commission.

A more cost effective alternative would be to develop a risk based approach to determine the most critical audit reports to examine. The audit reports would be segregated by risk, assigning each a letter grade A through C. The highest risk audit reports would be assigned an A and examined 100%. The less risky audit reports would be assigned a B and 50% of these reports would be examined. The remaining audit reports would be assigned a C and a lower percentage of these audit reports would be examined. We could perform these procedures for \$36,000.

Consulting Services

- B. Examine the operation of the Office of Internal Audit to assure currency of audits.**

These services will primarily consist of interviews of the staff of the Office of Internal Audit, interviews of the University's audit committee, interviews of key University employees and review of Office of Internal Audit documentation as needed. We anticipate this would consist of up to 15 interviews. We would provide an assessment of the status of the University's audit function as a result of this project. We estimate the fees for this service to be \$16,000 based on an average billing rate of \$215 per hour.

C. Survey banks within a 50-mile radius and identify all bank accounts that exist in the name of the University of Louisville, University of Louisville Physicians or any derivative thereof.

This procedure will consist of compiling a list of all banks within a 50-mile radius of Louisville and sending them a letter requesting the account numbers for any bank account open in the University of Louisville's name or a derivative thereof. We would create the template and control the mailing and responses of these letters. The letters would be signed by the appropriate University personnel.

We estimate the fees for this service to be \$28,200 based on an average billing rate of \$125 per hour.

D. Assess the internal controls and personnel qualifications of all individuals with signature authority for bank expenditures and deposits for all banks.

This procedure will consist of looking at the entire cash disbursement cycle including the invoice approval process, the check writing process, the check signing process and most importantly the bank reconciliation process. The internal controls at a bank cannot be relied upon to prevent a fraudulent check from getting cashed. Controls over check signing cannot be relied upon to prevent a fraudulent check from getting cashed either, as it is simple to fabricate a signature. Therefore, the monitoring and reconciling of the transactions flowing through the bank account is essential.

A growing trend in cash disbursement scheme involves misappropriating cash through electronic bank transfers, either an automated clearing house ("ACH") transactions or electronic funds transfers ("EFT"). Our assessment of the internal controls will also consider the controls over ACHs and EFTs. A sound control structure would separate the initiation and approval process for ACHs and EFTs between two individuals.

We estimate the fees for this service to be \$35,000 based on an average billing rate of \$200 per hour.

Aside from the performing the procedures requested by the RFP, we believe the University would benefit from the following additional procedures.

- Review of the controls over the vendor approval process. Even an organization with the strongest internal controls over the check writing process can be a victim to fraud if the controls over adding new vendors are weak. Vendor schemes are not generally complex, but can be very costly. Typically, the scheme is as simple as adding a company controlled by the fraudster to the vendor master list and writing checks to that vendor. Another common scheme is where a fraudulent vendor is setup with a name similar to a legitimate vendor. Some good internal controls to implement over the vendor approval process are to segregate the responsibility of adding new vendors from those individuals with the ability to write and approve checks, crossing referencing the address of new vendors with employees addresses, disallowing any vendor with PO Box mailing address, ensuring new vendors are licensed with the Secretary of State and researching new vendors on the internet for legitimacy.

- Conduct periodic surprise reviews of all cash disbursements. The surprise review should include examining the supporting documentation for each disbursement, such as an invoice, a review of the shipping address (if goods were provided), the approval of each disbursement, precursory review on the legitimacy of the vendor, and an examination of the canceled check for consistency of signatures and compliance with organizational policies.
- Evaluate the feasibility of centralizing the cash disbursement process. While not always the most efficient procedure, centralizing the process of disbursing checks adds control and oversight to the internal control structure. The perfect world scenario for disbursing in a large university would be to have the check preparation, approval and signature separate from the individual who creates the budget. This would prevent a department head from writing a check to themselves.
- Perform a periodic review of disbursements using computer assisted auditing tools ("CAATs"), such as ACL, SQL or one of the Oracle products. CAATs allow an auditor to analyze volumes of data for accuracy and pinpoint possible anomalies. These tools are preferred to traditional audit sampling methods as 100% of the data can be analyzed. Suggested CAAT procedures would be to look for disbursements just below signatory/approval thresholds, looking for unusual patterns in amounts, looking for excessive payments to one vendor, looking for payments to employees and analysis using Benford's Law of numerical probability.

Any additional procedures would be billed at our standard hourly rates.

E. Review the internal procedures and financial controls for all faculty professional practice plans at the Health Science Campus with the independent CPA engaged for this examination.

For this procedure, we will coordinate with the CPA firm engaged to audit the University of Louisville Health Science Campus. We will review their workpapers and any reports issued regarding internal procedures and financial controls. Any areas where we believe the controls are deficient or lacking, we will discuss with the Board of Trustees for guidance on how to proceed.

We estimate the fees for this service to be \$6,600 based on an average billing rate of \$220 per hour.

Our fee estimates are based upon the University providing a reasonable level of assistance, including preparation of supporting schedules and pulling supporting documentation upon request. We also stand ready to provide services in other areas in which you may need assistance.

Appendix A

Peer Review Report

We are pleased to provide you with our most recent peer review report. This report was approved by the Peer Review Program of the American Institute of Certified Public Accountants. A copy follows. There was no letter of comment.

Conducted by an independent CPA firm, Kelley, Galloway and Company PSC, this Peer Review covered our firm's system of quality control for our accounting and auditing practice.



Kelley,
Galloway &
Company, PSC

CERTIFIED PUBLIC ACCOUNTANTS

• 1200 CORPORATE COURT • P.O. BOX 990 • ASHLAND, KENTUCKY 41105-0990 •
• Phone (606) 329-1811 • Fax (606) 329-8756 • E-mail contact@kelleygalloway.com • Web site www.kelleygalloway.com •

Member of the Center for Public Company Audit Firms, the Private Companies Practice Section of the American Institute of Certified Public Accountants and PKF North America Network

SYSTEM REVIEW REPORT

December 5, 2012

To the Owners
Strothman & Company, PSC
and the Peer Review Committee of the Kentucky Society of CPA's

We have reviewed the system of quality control for the accounting and auditing practice of Strothman & Company, PSC (the firm) in effect for the year ended June 30, 2012. 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. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Strothman and Company, PSC in effect for the year ended June 30, 2012, 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*. Strothman & Company, PSC has received a peer review rating of *pass*.

Kelley, Galloway & Company, PSC

Kelley, Galloway & Company, PSC
Ashland, Kentucky

Appendix B

Resident Bidder Claim Form

Bid #: RFP160-PSC

**TO BE CONSIDERED THIS FORM MUST BE SUBMITTED WITH BID/PROPOSAL
REQUIRED AFFIDAVIT FOR BIDDERS, OFFERORS AND CONTRACTORS
CLAIMING RESIDENT BIDDER STATUS**

FOR BIDS AND CONTRACTS IN GENERAL:

The bidder or offeror hereby swears and affirms under penalty of perjury that, in accordance with KRS 45A.494(2), the entity bidding is an individual, partnership, association, corporation, or other business entity that, on the date the contract is first advertised or announced as available for bidding:

1. Is authorized to transact business in the Commonwealth;
2. Has for one year prior to and through the date of advertisement
 - a. Filed Kentucky corporate income taxes;
 - b. Made payments to the Kentucky unemployment insurance fund established in KRS 341.49; and
 - c. Maintained a Kentucky workers' compensation policy in effect.

The BIDDING AGENCY reserves the right to request documentation supporting a bidder's claim of resident bidder status. Failure to provide such documentation upon request shall result in disqualification of the bidder or contract termination.


Signature

William G. Meyer III
Printed Name

Partner
Title

10/3/13
Date

Company Name

Strothman and Company

Address

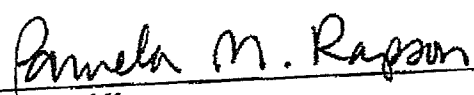
1600 Waterfront Plaza

325 West Main Street

Louisville, Kentucky 40202

Subscribed and sworn to before me by WILLIAM G. MEYER III PARTNER
(Affiant) (Title)

of STROTHMAN AND COMPANY this 3RD day of OCTOBER, 2013.
(Company Name)



Notary Public

[seal of notary]

My commission expires:

10-1-2016

Check Date: 03/10/2014		(Sales Tax Exemption #C-102 Under KRS 139)		Check No.	1881321
Invoice Number	Invoice Date	Voucher ID	Gross Amount	Discount Available	Paid Amount
31446	02/12/2014	01096693	107,985.00	0.00	107,985.00

MAILED
MAR 11 2014
CONTROLLERS
OFFICE

Vendor Number	Name		Total Discounts	
0000110954	Strothman And Company		\$0.00	
Check Number	Date	Total Amount	Late Interest	Total Paid Amount
1881321	03/10/2014	\$107,985.00	0.00	\$107,985.00 ✓

Am 3/11/14

UNIVERSITY of LOUISVILLE
CONTROLLER'S OFFICE
Louisville, KY 40292

PNC BANK, N.A. 070
Ashland, OH

Date 03/10/2014

Check Number
1881321

Void After 90 Days
Amount
\$107,985.00***

Pay ****ONE HUNDRED SEVEN THOUSAND NINE HUNDRED EIGHTY-FIVE AND XX / 100 DOLLAR****

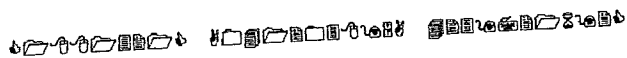
To The
Order Of **STROTHMAN AND COMPANY**
325 W Main St Ste 1600
Louisville, KY 40202 ✓

Alv

Authorized Signature

Authorized Signature

Authorized Signature



Print Document

PSC#14-039

Strothman and Company
 Certified Public Accountants and Advisors
 1600 Waterfront Plaza
 325 West Main Street
 Louisville, KY 40202
 502 585 1600



February 12, 2014

University of Louisville
 102 Grawmeyer Hall
 Louisville, KY 40292

Attention: Kathleen Smith

Client No. 30999.000
 Invoice No. 31446

RECEIVED

FEB 19 2014

CONTROLLER'S OFFICE

For professional services through January 31, 2014 in connection with
 University of Louisville financial review of:

- Internal Audit reports
- Internal Audit department
- Bank survey
- Internal controls
- Vendor controls

Total for Above Services	\$107,502
Out of Pocket Expenses	<u>483</u>
Balance Due	<u>\$107,985</u>

FEB 21 2014

BM

02003

www.strothman.com

Check Date: 04/23/2014		(Sales Tax Exemption #C-102 Under KRS 139)		Check No.	1883331
Invoice Number	Invoice Date	Voucher ID	Gross Amount	Discount Available	Paid Amount
31653	03/15/2014	01109472	52,537.00	0.00	52,537.00

MAILED
APR 24 2014
CONTROLLERS
OFFICE

Vendor Number	Name		Total Discounts	
0000110954	Strothman And Company		\$0.00	
Check Number	Date	Total Amount	Late Interest	Total Paid Amount
1883331	04/23/2014	\$52,537.00	0.00	\$52,537.00

Amended 4/24/14

UNIVERSITY of LOUISVILLE
CONTROLLER'S OFFICE
Louisville, KY 40292

PNC BANK, N.A. 070
Ashland, OH

Date 04/23/2014

Check Number
1883331

Void After 90 Days
Amount
\$52,537.00***

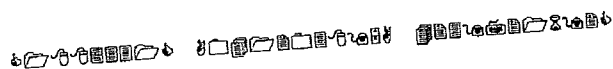
Pay ****FIFTY-TWO THOUSAND FIVE HUNDRED THIRTY-SEVEN AND XX / 100 DOLLAR****

To The
Order Of **STROTHMAN AND COMPANY**
325 W Main St Ste 1600
Louisville, KY 40202 *AKW*

Authorized Signature

Authorized Signature

Authorized Signature



01106100

3-170614

Strothman and Company
 Certified Public Accountants and Advisors
 1600 Waterfront Plaza
 325 West Main Street
 Louisville, KY 40202
 502.585.1600



March 15, 2014

University of Louisville
 102 Grawmeyer Hall
 Louisville, KY 40292

Attention: Kathleen Smith

Client No. 30999.000
 Invoice No. 31653

RECEIVED

APR 02 2014

CONTROLLER'S OFFICE

For professional services from February 1 through March 15, 2014
 in connection with University of Louisville financial review of:

- Internal Audit reports
- Internal Audit department
- Bank survey
- Internal controls
- Vendor controls

Total for Above Services	\$52,498
Out of Pocket Expenses	<u>39</u>
Balance Due	<u>\$52,537</u>

RECEIVED

APR 22 2014

CONTROLLER'S OFFICE

~~APR 11 2014~~
 BM

POSTED

APR 22 2014

BM

www.strothman.com

PERSONAL SERVICE CONTRACT INVOICE FORM
GOVERNMENT CONTRACT REVIEW COMMITTEE
LEGISLATIVE RESEARCH COMMISSION

Pursuant to KRS 45A.695, no payment shall be made on any personal service contract unless the individual, firm, partnership, or corporation awarded the personal service contract submits its invoice for payment on a form established by the committee.

Invoices shall be submitted every ninety (90) days, unless the personal service contract specifies a different submission time period.

Separate invoices shall be submitted for each distinct matter covered by the personal service contract, and shall be signed by the individual responsible for that matter.

The issuance of an invoice to the Commonwealth constitutes an affirmation by the individual, firm, partnership, or corporation awarded the personal service contract that the invoice truly and accurately represents work actually performed, and the expenses actually incurred.

The head of the contracting body shall approve the invoice, indicating that the charges in the invoice reflect the value of the work performed, and all recorded costs and disbursements were reasonably and necessarily incurred in connection with the matter invoiced.

NOTE: All questions must be answered fully. If the space provided is insufficient, additional pages should be attached referencing the specifically numbered item. Any questions regarding the invoice requirements should be directed to the contracting agency.

Contract Number: PSC 14-039

University of Louisville
Contracting Body

Date of Invoice: March 15, 2014

Office of the President
Division, Branch, etc.

1. Name & Address of Contractor: Strothman and Company
325 West Main Street, Suite 1600
Louisville, KY 40202

2. Contractor's Tax I.D. Number: 61- 1191655

3. Effective Period of Contract:
Starting Date: November 15, 2013
Ending Date: June 30, 2014

4. Combined Total Amount Charged in this
Invoice for Services and Reimbursable
Disbursements: ~~\$407,985~~ \$52,537.00

5. Dates of Service Covered under
this Invoice:
Starting Date: February 1, 2014
Ending Date: March 15, 2014

6. Is this the FINAL invoice
for services performed
under this contract:
____ Yes ☒ No

7. Date of most recent invoice submitted prior to this invoice: As of January 31, 2014
8. How often is the contractor required to submit invoices under the terms of the personal service contract: Not more frequently than monthly.
9. Provide a description of the matter covered by this invoice:

- A. Review all internal audit reports issued by the University's Audit Services Department ("Audit Services") at the University since 2007 and comment on the status of the implementation of the key recommendations in these reports.
- B. Review the operation of Audit Services and make recommendations for improvement.
- C. Survey of banks within a 50-mile radius of Louisville.
- D. Assess the internal controls and personnel qualifications of individuals with signature authority over bank accounts.
- E. Review the internal procedures and financial controls for all faculty professional practice plans at the Health Science Campus with the independent CPA engaged for this examination.
- F. Review the controls over the vendor approval process.

More details regarding the above are contained in the University's RFP 160-PSC

10. Provide a full description of each service provided, including the date each service was performed, the name and title of each individual who worked on the matter, and the time the individual spent on the matter:

See # 9 above for a description of the services provided. The dates that the service was provided were from February 1, 2014 to March 15, 2014. The name and title of each individual who worked on this matter and the time spent is as follows: Jason Aberli-manager (83.3 hours), Michael Anderson-accountant (2.1 hours), Meaghan Dixon-manager (17.7 hours), Jennifer French-manager (36.7 hours), Lisa Holden-manager (6 hours), Jeanna Jones-manager (46 hours), William Meyer-partner (41.4 hours), Pam Rapson-administrative assistant (7 hours), James Stevison-manager (12.3 hours), Raymond Strothman-partner (2 hours), Matthew Walker-accountant (2.3 hours), and Josh Zik-manager (8.3 hours).

11. Provide the hourly rate for each individual working on the matter and the total charge for that individual for each matter involved:

The hourly rate and the total charge for each individual are as follows: Jason Aberli (\$195 per hour) - total charge of \$16,252, Michael Anderson (\$95 per hour) - total charge of \$200, Meaghan Dixon (\$170 per hour) - total charge of \$3,009, Jennifer French (\$185 per hour) - total charge of \$8,790, Lisa Holden (\$145 per hour) - total charge of \$870, Jeanna Jones (\$200 per hour) - total charge of \$9,206, William Meyer (\$295 per hour) - total charge of \$12,213, Pam Rapson (\$105 per hour) - total charge of \$735, James Stevison (\$200 per hour) - total charge of \$2,460, Raymond Strothman (\$320 per hour) - total charge of \$640, Matthew Walker (\$65 per hour) - total charge of \$150, and Josh Zik (\$140 per hour) - total charge of \$1,411. The total is higher than the amount actually charged because of the limitations of the contract.

12. Provide the subject matter and recipient of any correspondence:

No correspondence. We provided a draft of our final report with respect to the matters specified in # 9 above.

13. Provide a full description of any work product produced, designating the way in which the work product is associated with the matter being invoiced. (Attorneys Billing for Legal Services: If you contend that any information is subject to privilege, please identify the privileged item, and provide sufficient information to evaluate the claim of privilege):

See # 9 above. We are in the process of producing a final written report.

14. Provide an itemized list of all disbursements to be reimbursed by the state for each matter invoiced and the total charge for that matter:

See above.

SIGNATURES:

Contractor: W.D. Math

Date: 3/15/14

Title: Partner

Contracting Body

Approved by: Heather M. Smith Date: 4/21/14

Title: Chief of Staff