

OUR PROPOSAL TO SERVE

INDEPENDENT AUDIT SERVICES FOR THE CITY OF



ONEIDA



DRESCHER & MALECKI LLP
MATTHEW J. MONTALBO, PARTNER
2721 TRANSIT ROAD, SUITE 111
ELMA, NEW YORK 14059
PHONE 716.565.2299
MMONTALBO@DM-LLP.COM

JANUARY 17, 2025

“Drescher & Malecki LLP continues to revolutionize the accounting and audit process to provide practical and innovative ideas to counties, cities, towns, villages, school districts, and public authorities.”

Drescher & Malecki LLP Mission Statement



CITY OF ONEIDA

NEW YORK

TABLE OF CONTENTS

Transmittal Letter	1
Professional Experience	3
Approach to Audit Engagement	9
Hours & Pricing	13
Attachments	
Peer Review	

DRESCHER & MALECKI LLP

2721 Transit Road, Suite 111

Elma, New York 14059

Telephone: 716.565.2299

Fax: 716.389.5178



January 17, 2025

Mr. Kyle Lovell, City Manager
City of Oneida
109 North Main Street
Oneida, New York 13421

Mr. Lovell:

On behalf of my colleagues at Drescher & Malecki LLP, I present this Letter of Transmittal to emphasize the key areas of our proposal to provide Annual Financial Statement Audit Services for the City of Oneida (referred throughout the proposal to as the “City”).

Passion. Our firm embraces the growth mindset of professional improvement, which translates to an audit experience like no other. Our leadership is committed to providing our clients with a professional service focused on municipal improvement and growth. Our people have a sincere desire to help governments and understand that there is a community that extends far beyond a set of financial statements or a Single Audit. Drescher & Malecki LLP people are enthusiastic to be serving you and are even more excited to share ideas that could unleash power to enhance your City. Any firm proposing can make similar claims; however, we have an abundance of references and recommendations to substantiate our claims. The Drescher & Malecki LLP community is always engaged and ready to serve your community and we love doing just that. Perhaps that may be the overriding factor why Buffalo Business First has consistently named Drescher & Malecki LLP as a “Best Place to Work”. We invite you to confirm this level of service with any of our clients that we serve.

Specialization. Our firm strictly works with municipalities and not-for-profits, which means we know the accounting pronouncements and reporting requirements specific to your City. Though each of our clients has exclusively designed audit plans, they are exposed to similar reporting requirements of the City of Oneida, and you will benefit by having an audit firm that is familiar with these requirements. Each auditor assigned to the City has accumulated valuable experience performing multiple city and other municipal audits each year. To ensure the greatest benefit, we commit to meeting with your representatives to determine an audit plan geared specifically to your needs.

Single Audit. Our firm performs over 50 Single Audits annually. We understand the importance of not only having an effective financial statement audit, but thorough Single Audit if the City exceeds Federal thresholds. Our staffing plan addresses the importance of the Federal Awards. If needed, we have a Single Audit Specialist to oversee the auditors performing the designed procedures surrounding your Federal Award dollars.

Communication. The most critical financial document for a government may be its annual budget. A well-planned budget is of the utmost importance for the City to ensure stability and growth. A critical component of the financial process is the government’s performance within the budget. Our routine meetings will offer a platform with a CPA that has exposure to industry trends.

Independence. Drescher & Malecki LLP and its staff are free, both in fact and appearance, from personal, external, and organizational impairments to independence. Drescher & Malecki LLP has incorporated an internal quality control system to help its partners and employees determine if they have any personal

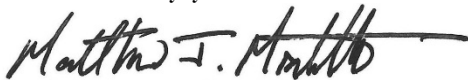
impairments to independence in accordance with Generally Accepted Auditing Standards (G.A.A.S.), Generally Accepted Government Auditing Standards (G.A.G.A.S.) and the United States Government Accountability Office's (G.A.O.) "Yellow Book". We are in full compliance with both the letter and the spirit of these requirements.

Transition. We have a proven system to provide a smooth audit transition and will facilitate solutions immediately. Specialization with New York municipalities, including cities, means that everyone assigned to the City of Oneida is exposed to similar audits year-round. This greater understanding equates to less interruptions to your employees to explain the intricacies of governmental accounting to your auditors.

Innovative. Our growth-mindset embodies an audit approach that can be adjusted to facilitate even the most difficult of circumstances. Our entire firm meets monthly and our management team meets weekly to share ideas and evolve our audit process with the sole focus of making it the best experience we can offer. We've embraced technology to provide several alternatives within the audit process; whether it's fully on-site, nearly all remote or somewhere in the middle, we have tools to ensure a smooth process performed with responsiveness, accessibility, and availability.

This proposal recognizes the efficiencies generated by Drescher & Malecki LLP's specific industry specialization and our expertise with New York State City operations. Matthew J. Montalbo is a certified representative of Drescher & Malecki LLP and is authorized to represent the firm, empowered to submit the bid and enter into a contract with the City. This is a firm and irrevocable offer for a period of 45 days. We look forward to serving the City of Oneida with distinction.

Enthusiastically yours,

A handwritten signature in black ink, reading "Matthew J. Montalbo", with a long horizontal flourish extending to the right.

Matthew J. Montalbo, Partner
Mmontalbo@dm-llp.com



Professional Experience

Drescher & Malecki LLP Company Profile

Date of Partnership:	April 5, 2004
Office Location:	2721 Transit Rd, Ste. 111, Elma, New York 14059
Partners and Directors:	6
Total Full Time Staff:	35
Total Part Time Staff:	10 (Administrative, Information Technology, Internship Program)
Total Governmental Audit Staff:	34
Certified Public Accountants:	15
Municipal Clients:	Over 150
Mission Statement:	Drescher & Malecki LLP continues to revolutionize the accounting and audit process to provide practical and innovative ideas to counties, cities, towns, villages, school districts, and public authorities.

Specialization

Drescher & Malecki LLP has assembled a team designed to provide the City with quality service and extensive knowledge. Your audit team will have specialization in the public sector. This specialization facilitates a greater understanding of municipalities, meaning there is no demand for your City employees to explain the intricacies of governmental accounting to the auditors. Your audit team will work independently and ask relevant questions at appropriate times, respecting your commitment to daily business routines. We have implemented a proven process that:

- Minimizes staff interruption by having our team available on-site to scan and upload documents;
- Utilizes CPAs to assist in preparing the City's financial statements;
- Incorporates ShareFile to allow for secure content collaboration, file sharing and sync solution that supports all of the document-centric tasks;
- Ensures a smooth transition by maximizing efficiencies through our government specialization; and
- Eliminates the need to train your auditors in governmental accounting.

“Our contacts with Drescher & Malecki have helped our Corporation to institute best practices and grow responsibly and sustainably. I always feel comfortable that we will receive prompt, professional guidance no matter when we call.”

Jocelyn Gordon, Executive Director
BENLIC

Cultivating Ideas
*A Firm Specialized in Governmental Accounting that
Provides Valuable Ideas and Year-Round Support*

Drescher & Malecki LLP is not an ordinary auditing firm. Our service to only municipal and public entities reflects our heart-felt commitment to the community. We are public servants dedicated to improving our clients, and moreover our communities through practical and innovative ideas.

The audit approach you will receive is based uniquely on municipalities and geared towards idea generation for improvements to operations and transparency. With Drescher & Malecki LLP, the City will receive valuable insight to improve its internal controls, heighten efficiencies and effectiveness of operations, maximize revenues and control expenditures.

With our responsible application of safeguards outlined in the new Government Accountability Office's ("GAO") *Yellow Book*, we are available year round for routine audit related support, assistance implementing policies and procedures and routine support at no added cost.

Our audit process delivers:

- 1) The sharing of observations and ideas identified during the audit process with applicable department personnel and management to ascertain the appropriateness of the observation and applicability to the City;
 - 2) A review of the draft management letter with City management and a discussion of relevant observations and ideas with the City;
 - 3) Regular accounting advice to the City personnel and the facilitation of a plan to implement positive change;
 - 4) Information on best practices throughout the year including benchmarking studies, sample policies and templates; and,
 - 5) Communication to those in governance, any material weaknesses or significant deficiencies, as defined by professional standards, if any are identified during the audit process.
-

Measurable Experience in GASB Financial Reporting

Conversion of fund financial statements to government-wide financial statements through the careful application of GASB requirements is a uniquely complicated process. We will perform a close review and testing of the City's GASB adjustments, and ensure the appropriate presentation of the financial statements.

The Government Finance Officers' Association ("GFOA") provides a program for the Certificate of Achievement for Excellence in Financial Reporting. Annual comprehensive financial reports submitted to this program are reviewed and measured against the highest standards for reporting. Three of our Partners currently serve as certified reviewers in this prestigious program. Therefore, with an audit by Drescher and Malecki LLP, the City of Oneida financial report will be evaluated by professionals who actively participate in the GFOA's program judgment process. Your report will be reviewed by individuals who are considered experts in annual comprehensive financial reports.

Single Audit Under the Uniform Guidance

The federal government requires that the City obtain a compliance audit of its federal program spending greater than \$750,000. Performance of these compliance audit procedures is necessary to maintain eligibility to participate in and receive funding through federal programs.

A vital part of our audit is to test compliance with federal requirements under the Uniform Guidance. Knowledge of federal laws and the perpetually changing compliance requirements is of the utmost importance. The City of Oneida's federal programs audit will be overseen by a Single Audit Specialist.

Your federal aid will not be put in jeopardy due to an unacceptable audit. Drescher & Malecki LLP performs dozens of Single Audits on an annual basis and no client has had an issue during a federal desk review. All of our municipal audits have been accepted by the cognizant agent. Your federal compliance audit will be performed at the highest standard.

References

Three references of clients served are presented below. We invite you to confirm the service and quality provided to them, and all our clients we serve. Additional references are available upon request.

Entity: County of Oneida

Services: Audit, Single Audit, NYS DOT & Other Services

Reference: Sheryl Brown, Deputy Comptroller

Phone: 315.798.5822

Entity: City of Hornell

Services: Audit, Single Audit, NYS DOT

Reference: Michele Smith, City Chamberlain

Phone: 607.324.7421

Entity: City of Batavia

Services: Audit, Single Audit, NYS DOT & Deferred Comp. Plan

Reference: Lisa Neary, Deputy Director of Finance

Phone: 585.345.6313

Peer Review

Drescher & Malecki LLP is enrolled in the AICPA Peer Review Program. As an enrolled firm, we are required to have a peer review of our auditing practice every three years. Our most recent external peer review received a rating of “pass”, which is the highest rating currently established by the AICPA Peer Review Board. Please see the appendices for a copy of our peer review report.

Insurance

We have made arrangements with our insurance carrier to provide our current liability insurance covering \$5,000,000 naming the City of Oneida as the certificate holder. Documents will be provided.

Affirmations

Drescher & Malecki LLP does not have a record of substandard audit work and meets all specific requirements imposed by State and local law or rules and regulations.

Responsiveness & Communicative

Our Professionals are Courteous, Knowledgeable and Excited to Help

Buffalo Business First's "Best Places to Work" has recognized Drescher & Malecki LLP's culture in each of the last ten years. In seven of the last eight years, we were the overall #1 winner in our respective category. Drescher & Malecki LLP is the only accounting firm in the region to outright win this prestigious award. To qualify for this distinction, employees are requested to complete a series of confidential surveys describing the firm, its culture, and their overall happiness in their roles. You will find our audit team to be attentive, responsive and communicative. This level of service extends beyond the audit. We are eager to help and serve you throughout the year.

This distinction enables D&M to attract and retain the best and brightest, translating to outstanding service to our clients.

Keeping Staff Current with Governmental GAAP and GASB

Our staff of over thirty Municipal Specialists is consistently growing both in number and expertise of the municipal environment. In addition to our staff's significant experience, training is a key part of our firm's overall Continuing Professional Education ("CPE") program. Drescher & Malecki LLP's CPE program complies with the American Institute of Certified Public Accountants' ("AICPA") requirements. All professionals have a minimum of 40 hours of qualifying CPE each calendar year and at least 120 hours for each three-year period, exceeding the mandated CPE required hours. Most of these hours are in governmental accounting and auditing as outlined in the Government Accountability Office's Yellow Book.

- | | |
|--|--|
| ◆ Governmental GAAP Update | ◆ Financial Statement Audit - Workpaper Preparation |
| ◆ GASB Update | ◆ Preparing for the Single Audit/Auditee Perspective |
| ◆ Revenue & Expenditure Trends | ◆ Financial Reporting in a Governmental Environment |
| ◆ Purchasing & "Best Value" | ◆ Internal Control Documentation and Testing |
| ◆ Professional Ethics (for accountants and auditors) | ◆ Other Governmental Audits (Departmental) |

If you believe that City employees will benefit from furthering their accounting knowledge, we are available to provide tailored training courses to meet your needs.

Your Drescher & Malecki Team

Drescher & Malecki LLP has assembled a team for the City which will provide quality service with extensive knowledge of City governments. Please see the following pages for resumes of the key members.

Our audit team for the City will have:

- An Engagement Partner that will oversee the entire process and provide a thorough review of the financial statements.
- A Resource and Concurring Review Partner available for any risky or complex areas that are presented and provide a supplemental review of the financial statements.
- A Manager who will be responsible for monitoring the day-to-day progress and priorities, as well as assisting with the compilation of the financial statements, as needed.
- A Single Audit Specialist who will oversee the entire Single Audit process.
- A Senior Auditor that will facilitate and oversee all audit testing.
- 1-3 Staff Auditors, responsible for the primary completion of the audit workpapers.

Since all of our auditors are specialized in municipal auditing, the quality of staff assigned to the City of Oneida audit is not jeopardized. All auditors in our firm are skilled governmental specialists.

Matthew J. Montalbo, CPA
Engagement Partner



Matt has over nineteen years experience serving public sector entities. He joined Drescher & Malecki LLP after receiving his Masters in Accounting from S.U.N.Y at Buffalo and is an active member of New York State Government Finance Officers' Association as well as a GFOA Special Review Committee Member.

Representative Clients Served

- City of Batavia, NY
- City of Hornell, NY
- City of North Tonawanda, NY
- City of Tonawanda, NY
- County of Oneida, NY
- County of Sullivan, NY

Professional and Community Activities

- Special Review Committee for GFOA Excellence in Financial Reporting Program
- American Institute of Certified Public Accountants
- New York State Society of Certified Public Accountants
- New York State Government Finance Officers Association

Education

- S.U.N.Y. at Buffalo, M.S., Accounting
- S.U.N.Y. at Geneseo, B.S., Accounting

Luke R. Malecki, CPA

Resource and Concurring Review Partner



Luke has been with the D&M team since it's inception on April 5, 2004. He has over twenty years experience in serving public sector entities and has served as a member of the Special Review Committee for the Government Finance Officers' Association Certificate of Achievement for Excellence in Financial Reporting Program.

Representative Clients Served

- City of Buffalo, NY
- City of Salamanca, NY
- County of Cattaraugus, NY
- County of Cayuga, NY
- County of Erie, NY
- Town of Brutus, NY
- Town of Niles, NY
- Town of Owasco, NY

Professional and Community Activities

- American Institute of Certified Public Accountants
- New York State Society of Certified Public Accountants
- New York State Government Finance Officers Association

Education

- S.U.N.Y. at Buffalo, M.A., Financial Economics
- Bentley University, B.S., International Business

Aimee G. Haensly, CPA

Manager



Aimee is in her seventh year as an auditor with Drescher & Malecki LLP. Her role is primarily to oversee governmental audits and prepare and review financial statements, as well as other required reports. She will be available to answer questions through out the year and has a strong understanding of the budget process.

Representative Clients Served

- City of Hornell, NY
- County of Cayuga, NY
- Town of Niles, NY
- Town of Owasco, NY

Education

- Canisius College, B.A. & M.B.A., Professional Accounting



Tina Hogenkamp
Senior Auditor

Tina is in her sixth year with Drescher & Malecki LLP. Her focus is performing and overseeing governmental audits as well as focusing on improving client's efficiency and ensuring their compliance with regulations and laws.

Representative Clients Served

- City of Batavia, NY
- City of Buffalo, NY
- City of North Tonawanda, NY
- City of Salamanca, NY

Education

- Daemen College, B.A. & M.B.A., Accounting



Schwartz Abellard
Single Audit Specialist

Schwartz is in his eighth year as an auditor with Drescher & Malecki LLP. His focus is performing and overseeing governmental audits as well as reviewing federal grant programs to ensure single audit program compliance.

Representative Clients Served

- County of Erie, NY Single Audit/DOT
- County of Sullivan, NY Single Audit/DOT
- County of Oswego, NY Single Audit/DOT
- County of Warren, NY Single Audit/DOT

Education

- Daemen College, B.A. & M.B.A., Accounting

Memberships

Drescher & Malecki LLP is a voluntary member of the AICPA Government Audit Quality Center, American Institute of Certified Public Accountants, New York State Society of Certified Public Accountants, Government Finance Officers' Association ("GFOA"), New York State GFOA, New York State Western Region GFOA Council and New York State Association of Counties.

It is the continuing policy of our firm to provide equal-opportunity employment to all employees and applicants, without regard to race, creed, color, sex, religion, national origin, citizenship, age, veteran status, disability, pregnancy, [any other protected categories, (e.g., marital status, sexual orientation or sexual identification)]. This policy relates to all employment decisions, including those in connection with recruitment, hiring, training, promotion, compensation, benefits, termination, and all other terms and conditions of employment. All of our policies are in accordance with federal, state and local equal employment opportunity principles and other related laws.

“We have found each of their staff to be well versed in matters important to the County - including accounting and reporting knowledge, social service matters, debt issuances, Federal compliance, and more.”

Kyle Andrews, Treasurer
County of Niagara, New York



Approach to Audit Engagement

Audit Quality

An Audit Approach Tailored Based on the Firm's Understanding of The City of Oneida's Audit Requirements

Drescher & Malecki LLP will perform the City audits in accordance with Generally Accepted Auditing Standards, the standards as set forth in the U.S. Government Accountability Office's Governmental Auditing Standards, the provisions of Title 2 U.S. Code of Federal Regulations ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), and Draft Part 43 of the New York State Codification of Rules and Regulations ("NYCRR").

Our audit approach focuses on providing ideas to improve operations and controls while following the most recent requirements to provide assurance on the City's financial statements. The City will gain valuable insight to improve internal controls, maximize revenues and control expenditures with a focus on efficient and effective operations.

Audit Approach

The City's decisions are impacted by financial results; therefore, pre-audit and post-audit meetings with the City staff, management and the City Council are an important element of our audit process. As part of the audit cycle we will discuss present trends and comparisons with the City's staff and management prior to audit fieldwork and then again upon completion we will bring a presentation of the current results to the City's staff and management. An emphasis of our firm's implemented approach is on comparability and visualization. An understanding of your past trends is imperative for future decisions.

Our audit delivers information to your management to help make informed decisions regarding business, financial and operational risks and controls. Our comprehensive audit planning and execution, combined with our industry expertise yields a thorough, cost-efficient audit. The process is iterative and marked by regularly scheduled communication with City committees, staff and management.

Audit procedures will be designed to focus resources in the areas of most importance and exposure. While using the latest computer assisted audit techniques and technologies we provide both efficiency and audit effectiveness. We will implement the audit approach by analyzing the internal control structure, the financial accounting and compliance-related risks, and exposures associated with your financial systems. Further, we identify key existing controls that prevent, detect and correct errors that could result from such exposures.

Audit Timing

Activity	Proposed Timing
Audit planning, internal control documentation, testing and evaluation, preparation of confirmations and other procedures	June/July
Audit fieldwork, including substantive testing of financial statements	August
Deliver final financial statements and Audit Communications	September

Planning

We obtain a comprehensive understanding of the City and its operations noting special needs and areas of audit concern. We commit to fieldwork being supervised by licensed Certified Public Accountants. This means that you will have someone with significant municipal audit experience determining where the City's risk lies and more importantly, how that risk should be addressed. The understanding of the City is established through our planning phase and includes:

- 1) Review of prior years' financial statements and any current issues that may be pending related to accounting or financial reporting matters;
- 2) Review of current year interim results of operations;
- 3) Interview appropriate personnel to discuss the procedures used in recording accounting transactions;
- 4) From these interviews, prepare narratives and perform audit tests to determine if the procedures discussed are being followed;
- 5) Review changes in information systems and processing routines;
- 6) Create tailored audit programs based on interim procedures and risk assessments to date; and,
- 7) Provide findings and recommendations on possible control deficiencies.

Information Technology (IT)

Drescher & Malecki LLP utilizes ProSystems Engagement Audit software to facilitate audit efficiency. Our proven process is a paperless audit approach that accommodates for customization and maximizes efficiency. The City will not incur unnecessary costs or time interruptions due to an inefficient audit.

Enhancing our audit process and providing real time access to accounting pronouncements, professional standards and regulatory information related to audit, accounting, regulatory matters all of our auditors have access to the Accounting Resource Manager ("ARM") provided by Wolters Kluwer CCH.

Our audit process will involve testing the design of the City's IT environment relating to the financial reporting. In addition, IT general controls will be thoroughly evaluated to determine their affect on financial reporting. We will review areas such as program change controls, local security, back-up and disaster recovery, third party security and incident management.

Our knowledge includes, but is not limited to, the various modules and capabilities of software platforms used by our entire client base of over 150 municipalities across New York State. Drescher & Malecki LLP commonly works within a diverse array of municipal accounting software platforms to generate general ledger reports, examining vouchers, receipts, and journal entries. This expertise will provide an additional resource to the City and allow for a more efficient audit experience and sharing of best practices. We can provide practical ideas to assist your staff in applying the most efficient methods to daily processes, such as deposits, disbursements, bank reconciliations, and budget monitoring.

Our team will develop an audit plan that minimizes disruption of your daily routine. We will perform analytical reviews of reports and will explore the possibility of increasing efficiency for your City through implementation of new modules.

Our employees regularly interact with client applications and can proficiently generate information unassisted. At your discretion, the permission for read-only access to your accounting system could simplify the audit process by reducing audit requests and staff interruption. Further, our staff are available to scan documents as to avoid the unnecessary use of the City of Oneida personnel time.

Consideration of Fraud/Related Party Transactions

Our approach exercises professional skepticism when considering the possibility that a material misstatement due to fraud and related party transactions could be present. We will:

- 1) Inquire of management and others within the City about the risk of fraud and potential related party transactions;
- 2) Consider the results of analytical and other substantive procedures performed during the audit as it relates to the risk of fraud and related party transactions;
- 3) Consider fraud/related parties risk factors (incentives/pressures, opportunities and attitudes) when performing the audit;
- 4) Conduct a fraud /related parties consideration meeting with engagement personnel to discuss fraud and related party risks; and,
- 5) Design procedures on journal entries recorded in the general ledger.

Audit Fieldwork

We will perform our substantive audit procedures based on the developed audit work plan. To the extent possible, we will utilize reports and schedules that are already prepared for internal purposes in order to minimize additional work and time required from your personnel. However, we may request limited assistance from the City's staff in preparing analyses and schedules, retrieval of documentation, and confirmation preparation.

We anticipate employing the use of various random sampling methodologies. Our sampling selection process depends on the following categories: 1) purpose of test, 2) risk surrounding the population or process of misstatement or fraud, and 3) nature of transactions.

For example, we will analytically test expenditures to obtain a better understanding of large variances from year to year. Additionally, we will randomly select a sample of expenditures from the general ledger using a random number generator to test procurement and bidding compliance with general municipal law, as well as board approved policies. Detail testing includes agreeing the balance from general ledger to invoices and cancelled checks.

Further, we will perform extensive analytical procedures to compare current year results against prior periods and independently developed expectations. During our preliminary analytical procedure, we will obtain an understanding of current year activities and assess risk according to each pathways (processes) surrounding the audit. This approach provides the opportunity to adjust risk based or unexpected deviations within account balances.

Additionally, our audit process include vouching of confirmations and other third party information within this phase. We will utilize our knowledge of past City trends, current year circumstances, situations and areas of concern facing other entities to assist in our analytical audit fieldwork.

Conclude and Report

We will review any significant events occurring subsequent to the balance sheet date but prior to the issuance of our reports, which may require adjustment to or disclosure in the financial statements. We will meet with City management to provide audit observations and journal entries.

The conclude and report process will culminate with our professional opinion, as well as any recommendations for potential improvements in your operational efficiency and systems for accumulating and preparing financial information. We will schedule exit conferences with relevant financial and operating personnel to discuss our reports and will review the draft financial statements and any other auditor communications with the City prior to finalization.

The City will receive a written report that will explain:

- 1) Any changes in accounting policies and identify any unusual transactions included in the financial statements and any sensitive disclosures included in the financial statements;
- 2) Any deviations from the previously communicated planned scope and timing of the audit;
- 3) Corrected and uncorrected misstatements identified during our audit;
- 4) Management's significant estimates and judgments;
- 5) Discussion regarding any disagreements with management over any accounting and reporting matters;
- 6) Management representations; and,
- 7) Other matters which we believe should be made known to the oversight body.

“The transition was a very smooth and worry-free experience.”

Joseph J. Timpano, Comptroller
County of Oneida, New York

In addition, the City will have access to a variety of visualizations of trends and comparative information to summarize the current year audit results. This hands on approach provides valuable information on best practices through these visualizations, benchmarking studies and sample policies and templates. We are available year round to discuss these ideas with City personnel and help facilitate a plan to implement positive change. This year round approach also extends to assistance with the implementation and compliance with new GASB pronouncements and Uniform Guidance requirements.

An audit failure cannot be tolerated. It is imperative that the City's external auditor is independent in both fact and appearance and that the auditor is knowledgeable in all of the City's operations. The City's financial statements are often relied upon by third parties. Its' financial statements are provided to both the Federal and State governments as a prerequisite to grants and aid to the City. From time to time, the City issues debt and the buyers of these bonds require independent verification of the City's financial information.

Identification of Potential Audit Problems

While we recognize that issues and problems may arise during the course of our audit, we anticipate no potential audit problems.

Conflict of Interest

No conflicts of interest exist between Drescher & Malecki LLP and the City, its City Council or its management.

License to Practice

All assigned key professional staff are properly licensed to practice as Certified Public Accountants in the State of New York.

Independence

We recognize that in all matters relating to the audit of the City of Oneida, Drescher & Malecki LLP and its staff should be free, both in fact and appearance, from personal, external, and organizational impairments to independence. Drescher & Malecki LLP has incorporated an internal quality control system to help its partners and employees determine if they have any personal impairments to independence in accordance with Generally Accepted Auditing Standards (G.A.A.S.), Generally Accepted Government Auditing Standards (G.A.G.A.S.) and the United States Government Accountability Office's (G.A.O.) Yellow Book. We are in full compliance with both the letter and the spirit of these requirements.



Hours & Pricing

Matthew J. Montalbo is a certified representative of Drescher & Malecki LLP and is authorized to represent the firm, empowered to submit the bid and enter into a contract with the City. We have an understanding of the City of Oneida's needs and expectations and believe no other firm can match our knowledge and ability to serve your City.

	Hours	Standard Hourly	Quoted Hourly	Total
Partners	40	\$ 275	\$ 145	\$ 5,800
Managers	60	225	120	7,200
Supervisory staff	80	175	100	8,000
Staff	145	125	80	11,600
			Subtotal	\$ 32,600
			Meals, Lodging & Transportation	2,000
			Total price for Audit Services	<u>\$ 34,600</u>

	Year Ending December 31,				
	2024	2025	2026	2027	2028
Financial statement audit					
(Government Auditing Standards)	<u>\$ 34,600</u>	<u>\$ 35,638</u>	<u>\$ 36,707</u>	<u>\$ 37,808</u>	<u>\$ 38,943</u>

Additional Professional Services Considerations - If we are requested to provide significant additional services, we must first consider independence standards. We will not accept any additional work that could potentially impair our independence as auditors for the City of Oneida. However, if additional services are appropriate we will provide the City of Oneida with a quotation of anticipated hours and rates. We will not proceed to provide services with any additional cost to the City of Oneida without your specific approval.

Rates for Additional Professional Services - Should additional services be requested by the City, our hourly rates are as follows: Partner \$275; Manager \$225; Supervisory Staff \$175; and Professional Staff \$125.

Manner of Payment - Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's dollar cost bid proposal. Interim billing shall cover a period of not less than a calendar month.



Jones, Nale & Mattingly PLC

REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL

To the Partners of
Drescher & Malecki LLP
and the Pennsylvania Institute of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Drescher & Malecki LLP (the firm) in effect for the year ended December 31, 2023. 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 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 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 in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of the 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 compliance audits 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 Drescher & Malecki LLP in effect for the year ended December 31, 2023, 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*. Drescher & Malecki LLP has received a peer review rating of *pass*.

Jones, Nale & Mattingly PC

Louisville, Kentucky
June 24, 2024