

Proposal to Serve



Franciscan Ministries, Inc.



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To assist you in further assessing our commitment and qualifications, we have structured the proposal as follows:

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Peer Review Report



May 8, 2020

To the Board of Directors of
Franciscan Ministries, Inc.
Cincinnati, OH

Dear Mr. Don Evers,

Thank you for the opportunity to propose on the audit, review and tax services for Franciscan Ministries, for the years ending December 31, 2020, 2021 & 2022. Franciscan Ministries, Inc. will be an important client for Flynn & Company, Inc., commanding priority service by our team to ensure that projects are completed efficiently and reports are issued timely. Our attached proposal outlines our Firm's qualifications, approach, and relevant experience. Flynn & Company, Inc. has significant experience in working with non-profit organizations and our firm members have specialized training in accounting, auditing, taxation, and consulting.

We have carefully reviewed the requirements for this engagement. The team that we have selected for your engagement is talented and very well qualified to perform the desired services. You will be served by professionals who possess ideas, are organized, and are committed to client service.

We know that the timing and delivery of the audit, review and tax services are of the utmost importance to Franciscan Ministries, Inc. We look forward to building a solid relationship with you. We believe we have the commitment and the ability to provide you with responsive, timely and high-quality service.

We look forward to the opportunity to work with you and your staff. If you have any questions, please do not hesitate to call me at 513-530-9200.

Very truly yours,

A handwritten signature in black ink, reading "Richard T. Flynn".

Richard T. Flynn, CPA
Flynn & Company, Inc.

PROFILE OF THE FIRM

OVERVIEW

Flynn & Company, Inc. is a full-service certified public accounting and management consulting firm headquartered in Cincinnati, Ohio. The Firm was founded in 1994, to assist small to mid-size businesses, non-profits and families in achieving financial and operational success. Flynn & Company, Inc.'s staff has significant experience in a wide array of industries including non-profit organizations, manufacturing, wholesale trade, distribution, construction and privately owned businesses. Available to clients are a wide range of audit and tax services and a full line of financial accounting, reporting and attestation services. The firm also provides technical assistance to clients' accounting staff, including the implementation of new accounting procedures and financial accounting standards, the structuring of internal control systems, and researching financial reporting issues. Flynn & Company, Inc. further assists clients in ways that go beyond audit, review, compilation, tax return or consulting services. We create innovative and practical solutions to help our clients achieve their goals.

FIRM SIZE & STRUCTURE

Flynn & Company is a growing firm and was recently ranked by the Cincinnati Business Courier as one of the 25 Largest Accounting Firms in the Tri-State area. Our Firm has 21 professional staff and 4 administrative staff that support our clients. The Firm consists of 4 Partners, each having significant experience in either audit, tax or consulting.



COMMUNITY INVOLVEMENT

Flynn & Company serves on the Loan Committee for the Cincinnati USA Regional Chamber's Minority Business Accelerator (MBA). The MBA was established in 2003 as the result of the recommendations of the Cincinnati Community Action Now Commission. The program is focused on reducing disparity in the region's business community by driving economic activity for African-American and Hispanic-owned companies and increasing employment in underemployed segments of the region.

Additionally, Flynn & Company supports DePaul Cristo Rey High School as a Corporate Partner to assist in providing a Catholic, college preparatory education for those who otherwise could not afford it. All students at the DePaul Cristo Rey High School participate in the Corporate Work Study Program where they work five full days a month to contribute to the cost of their education. Flynn & Company has sponsored the financial education of two students each year for the past four years. Through our participation in this program it is our goal to positively influence the workforce of the future by giving students of lower income families the opportunity to succeed.

Flynn & Company, Inc. also believes in giving back to the community we serve. We are proud members of the following organizations:



FIRM QUALIFICATIONS & EXPERIENCE

PEER REVIEW & PROFESSIONAL MEMBERSHIPS

Flynn & Company is devoted to quality and has taken steps to guarantee that the Firm meets the highest professional standards. Our quality controls are examined by CPAs from other firms every 3 years, resulting in a document known as a Peer Review Report. Flynn & Company, Inc. received a rating of *Pass* for its most recent peer review, meaning that our Firm adheres to the most rigorous professional standards for CPA Firms. A copy of our most recent Peer Review Report has been made available to you in the Appendix of this proposal.

Additionally, Tom Bowns, CPA and Partner at the Firm is a technical reviewer with the Ohio Society of CPAs and the Georgia Society of CPAs Peer Review Departments, and has served as a Subject Matter Expert in Accounting and Auditing for the OSCPA. Tom performs peer reviews of CPA firms in Ohio and surrounding states. Tom conducts over 90 peer reviews of other CPA firms within the State of Ohio and surrounding states.

QUALITY CONTROL

Flynn & Company is a member of the following professional organizations, including the Government Audit Quality Center sponsored by the AICPA.



INDEPENDENCE

We are required to be independent in fact and appearance with respect to all of our audit and attestation clients and we maintain strict guidelines for our Partners and staff to follow to ensure that we maintain this independence. As part of the proposal process, we have performed an inquiry of the Firm's employees to ensure that we are independent with respect to Franciscan Ministries, Inc. We also require each employee of our Firm to immediately report any potential changes in independence to Management, and require each employee to complete and sign an Independence Representation document. We have determined that we are independent with respect to Franciscan Ministries, Inc.

RELEVANT EXPERIENCE

Flynn & Company provides attestation and tax services to many non-profit organizations each year. We have significant experience in serving non-profit organizations. We have worked with a variety of organizations including YES! For Youth, St. Francis Seraph Ministries and Focus on Youth among others. Please refer to the client references section of this proposal on page 6.

AUDIT APPROACH

Audit objectives can be achieved by a number of different approaches. The important consideration is to perform the audit as effectively and efficiently as possible. Since all organizations are unique, very few audits can be performed using identical work plans. Our audit process provides a means so that audit effort is placed where audit risks and significance are the greatest. Our planning and coordination of the audit can be divided into 5 phases:

- Phase 1: Orientation
- Phase 2: Planning
- Phase 3: Systems Review and Testing
- Phase 4: Audit of Account Balances
- Phase 5: Review of Preliminary Drafts and Report Submission

PHASE 1: ORIENTATION

Our principle objectives will be:

- Obtaining an understanding of Franciscan Ministries, Inc. accounting systems and familiarizing ourselves as to revenue, cash receipts and cash disbursements.
- Identifying key elements of internal control
- Identifying various revenue sources.

PHASE 2: PLANNING

We will meet with appropriate personnel to discuss the planned scope of our audit to ensure that all areas of interest or concern have been addressed. Further, we will discuss specific audit requirements (e.g., the extent of internally-prepared schedules and reports, copies of selected documents, preparation of the financial statements and other client involvement) and the related timing thereof with Franciscan Ministries, Inc.'s management.

PHASE 3: SYSTEMS REVIEW AND TESTING

Upon completion of the foregoing, we will make a comprehensive review of the existing accounting procedures and internal control. During this phase, we will document the controls in place in each of the major systems through:

- Inquiry of appropriate management
- Observation of activities and operations
- Inspection of documents and records

PHASE 4: AUDIT OF ACCOUNT BALANCES

Our procedures and tests of financial account balances will be designed around the key financial elements identified in our orientation and planning phases. Again, we will focus our efforts on significant account balances. Analytical procedures are used to assess the overall reasonableness of transactions and account balances. This phase also includes, as necessary, a review of any significant events that occur subsequent to the balance sheet date, but prior to the issuance of our report that may require financial statement disclosure.

PHASE 5: REVIEW OF PRELIMINARY DRAFTS AND REPORT SUBMISSION

Upon completion of fieldwork, we will review our tests to determine that they are sufficient to meet our professional standards. The audit information is used to reach a conclusion about whether the basic financial statements are presented fairly. Preliminary results of our work will be discussed with management prior to our leaving the field to ensure we have correctly considered all available information, and that there are no misunderstandings in the basis of the conclusions made. All of our engagements go through an independent quality control review by our Accounting & Auditing (A&A) department. A member of our A&A department will review the engagement for quality and adherence to accounting and auditing standards.

OTHER—IDENTIFICATION OF ANTICIPATED POTENTIAL AUDIT PROBLEMS

We do not anticipate any audit problems. We believe in open and frequent communication to identify potential issues prior to the start of the audit. We would plan on discussing any upcoming new accounting pronouncements with management in advance of the required implementation to work with management on a strategy for implementation.

SCOPE OF WORK & PROPOSED TIMELINE

Franciscan Ministries, Inc. is a significant service opportunity for our firm. We will invest the resources necessary to ensure that you receive the service and expertise that you expect. We have developed our understanding of the expectations and requirements for the professional services firm you will select to serve Franciscan Ministries, Inc. We understand that you want a firm that will conduct the audit, review and tax work in an efficient and effective manner.

SCOPE OF SERVICES

- We will perform an annual audit of the financial statements for the years ended December 31, 2020 & 2022 in conformity with the Auditing Standards Generally Accepted in the United States of America.
- We will perform a review of the financial statements for the year ended December 31, 2021.
- We will provide a Management Letter containing all comments and recommendations with respect to accounting and administrative controls and efficiency.
- We will perform the annual federal and state tax filings for Franciscan Ministries, Inc. for 2020, 2021 and 2022.

PROPOSED TIMELINE

We know that the timing and delivery of the audit, review and tax services are of the utmost importance to Franciscan Ministries, Inc. We will work with your team based upon the provided anticipated timeframe, scope of work and cooperation of management to come up with a proposed timeframe for services to be provided.

PROFESSIONAL FEES

The fees are inclusive of all direct and indirect costs related to the audit, review and tax services and any ancillary issues and questions.

The fees are based on the anticipated cooperation from management and other personnel in providing supporting detail as requested during the performance of the audit, review and tax work. Our fee for the audit, review and tax services of Franciscan Ministries, Inc. to be as follows:

| | 2020 | 2021 | 2022 |
|---------------|----------|---------|----------|
| Audit | \$9,500 | | \$10,000 |
| Review | | \$7,000 | |
| Tax | \$1,000 | \$1,000 | \$1,000 |
| Total | \$10,500 | \$8,000 | \$11,000 |

For any special services performed we will bill at our standard hourly rates. Should you have any questions as to the details of the fees, we would appreciate the opportunity to discuss them with you.

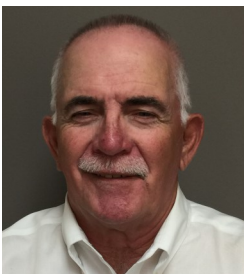
PARTNER, SUPERVISORY & STAFF QUALIFICATIONS

The team we have selected is an example of our commitment to provide you with outstanding quality service. We will also continue to develop the professional relationship you desire. The brief resumes that follow introduce key members of our team. Your Flynn & Company, Inc. service team will include:



Richard T. Flynn, CPA
President & CEO

Rick started Flynn & Company, Inc. in 1994 after eleven years of experience with two international accounting firms. He founded Flynn & Company, Inc. to provide excellent service and insight for small to mid-size organizations. Rick has over thirty-five years of experience in providing auditing, consulting and tax services to a variety of businesses and organizations. For over twenty-five years Flynn & Company has successfully delivered outstanding service to clients within the areas of entrepreneurial services, manufacturing, distribution, construction and non profit organizations. Rick has a BBA in Accounting from the University of Cincinnati.



Thomas O. Bowns, CPA
Partner

Tom has been providing accounting and auditing services for over forty three years. In November of 2014, Tom joined Flynn & Company as a Partner, merging his firm, Tom Bowns CPA with Flynn & Company, Inc. Tom has an extensive background in working with manufacturing, trucking retail, construction and non-profit industries. He is a technical reviewer with the Ohio Society of CPAs and the Georgia Society of CPAs Peer Review Departments, and has served as a Subject Matter Expert in Accounting and Auditing for the OSCPA. Tom performs peer reviews of CPA firms in Ohio and surrounding states. Tom has a BSBA in Accounting from Xavier University.



Nick A. Veatch, CPA
Partner

Nick started with Flynn & Company, Inc. in 2009 and has been providing auditing, consulting, and tax services to a variety of businesses and organizations. Nick has served a wide variety of industries including non-profit, construction, 401(k) plans, manufacturing, retail, service and financial institutions. Nick's expertise is within the areas of attestation, internal controls and outsourced CFO. Nick has a BBA in Accounting from the University of Cincinnati.



Tori E. Krause
Staff Accountant

Tori joined Flynn & Company in 2018. Tori's expertise is in audit and tax. She has worked with clients within non profit, manufacturing, construction, 401(k) plans and privately owned companies. She has a BBA in Accounting from the University of Cincinnati.

CLIENT REFERENCES

With our many years of experience we have collectively served hundreds of businesses and organizations. A sample of current clients that we encourage you to contact to gain a further understanding of working with Flynn & Company, Inc. is as follows:

| CLIENT REFERENCES | WORK PERFORMED | YEARS AS A CLIENT |
|--|--|-------------------|
| <p>YES! For Youth</p> <p>Mr. John McConnell, Executive Director</p> <p>(937) 275-1874</p> | <p>Annual Uniform Guidance audit of financial statements and tax compliance</p> | <p>12</p> |
| <p>Focus on Youth</p> <p>Mr. Bryan Forney, Executive Director</p> <p>(513) 664-1030</p> | <p>Annual audit of financial statements, agreed upon procedures and tax compliance</p> | <p>7</p> |
| <p>St. Francis Seraph Ministries</p> <p>Ms. Christine Schuermann, Executive Director</p> <p>(513) 549-0542</p> | <p>Annual audit of financial statements and tax compliance</p> | <p>2</p> |
| <p>Community Housing Assistance Program</p> <p>Ms. Penny Pope, Fiscal Specialist</p> <p>(513) 695-2039</p> | <p>Annual audit of financial statements and tax compliance</p> | <p>15</p> |
| <p>Catholics United for the Poor</p> <p>Ms. Mary Levee, Executive Director</p> <p>(513) 703-3918</p> | <p>Annual review of financial statements and tax compliance</p> | <p>17</p> |



Report on the Firm's System of Quality Control

June 19, 2017

To the Partners of Flynn & Company, Inc. and the AICPA National Peer Review Committee:

We have reviewed the system of quality control for the accounting and auditing practice of Flynn & Company, Inc. (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended December 31, 2016. 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 in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included an engagement performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act, an audit of an employee benefit plan and an audit of a carrying broker-dealer.

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 Flynn & Company, Inc. applicable to engagements not subject to PCAOB permanent inspections in effect for the year ended December 31, 2016, 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*. Flynn & Company, Inc. has received a peer review rating of *pass*.

Rea & Associates, Inc.

Rea & Associates, Inc.
Marietta, Ohio



Peer Review Program

Administered by the National Peer Review Committee

American Institute of CPAs
220 Leigh Farm Road
Durham, NC 27707-8110

September 19, 2017

Richard Flynn
Flynn & Company, Inc.
7800 E Kemper Rd Ste 150
Cincinnati, OH 45249 1666

Dear Richard Flynn:

It is my pleasure to notify you that on August 30, 2017, the National Peer Review Committee accepted the report on the most recent System Review of your firm. The due date for your next review is June 30, 2020. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Thank you for your cooperation and support of the profession's practice-monitoring programs.

Sincerely,

Michael Fawley
Chair - National PRC
nprc@aicpa.org 919-402-4503
National Peer Review Committee

CC: James Hensler, Thomas Bowns

Firm Number: 900010131195

Review Number: 502637