

Foundation for Abington School District (FASD) – June 18, 2019 Treasurer's Report

The enclosed financial statements (Attachment I) include combined financial statements for March 1, 2019 through May 31, 2019, and reflect the financial transactions for the report period. Interest earned for the period is \$0.02, which increases the Foundation's account balance to \$10.06.

The Foundation is required to file with the IRS for each fiscal year (period ending December 31), IRS Form 990 – Return of Organization Exempt from Income Tax, no later than May 15 each year. An application for automatic extension of time to file the Foundation's IRS Form 990 for the period ending December 31, 2018 was appropriately filed on the Foundation's behalf by Abington School District Treasurer Mr. Michael Czerwonka of Fitzpatrick and Czerwonka, Certified Public Accountants. The application (IRS Form 8868) and the IRS acceptance of the application are included with this report (Attachment II). The IRS filing deadline is extended to November 15, 2019. The extension is necessary to allow for the completion of an audit of the 2018 financial statements, which is required by both the Foundation Bylaws and the requirements of IRS Form 990.

Price proposals for performing an audit were solicited from, and provided by, three certified public accounting firms: Bee Bergvall & Co., Fitzpatrick & Czerwonka, and Maillie. Each firm had the opportunity to review the Foundation's financial reports that are posted on the Abington School District's website prior to submission of its proposal. The costs to perform the audit are in the amounts of \$3,000, \$900, and \$850 for Bee Bergvall, Fitzpatrick & Czerwonka, and Maillie, respectively. Included in the \$900 proposal from Fitzpatrick and Czerwonka is the preparation and filing of IRS Form 990 and additional Pennsylvania Charitable Organization Report(s) BCO-10. Bee Bergvall's \$3,000 price proposal includes hourly fees for performing additional services, such as preparation of IRS Form 990. Maillie indicated that their fee would be at least \$1,700 if they were to prepare IRS form 990 for the Foundation. Abington School District has experience with all three of the firms and each firm is capable and qualified to complete the required audit. It is recommended that Fitzpatrick and Czerwonka perform the audit and file IRS and state Forms 990 and BCO-10 for the amount of \$900. The three proposals are included in Attachment III of this report.

At the close of Abington School District's accounting period May 25, 2019, the District expended \$15,969,401 towards the Abington Senior High School Additions and Renovations building project. Funds from the Stephen A. Schwarzman Foundation, in the amount of \$6,038,388.60, to support the building project were available as of February 4, 2019, and fully expended as of May 22, 2019. The building project remains on schedule for completion for the opening of school in September 2022.

Attachment I

**Foundation For Abington School District
Balance Sheet
Period Ending - May 31, 2019**

Assets

<u>GL Number</u>	<u>Description</u>	<u>Amount</u>
100	Cash	10.06

Total Assets	10.06
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Liabilities & Equity

Liabilities

<u>GL Number</u>	<u>Description</u>	<u>Amount</u>
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Total Liabilities

Equity

<u>GL Number</u>	<u>Description</u>	<u>Amount</u>
900	Undisbursed Funds	10.06

Total Liabilities & Equity	10.06
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Foundation For Abington School District
Operating Statement - Cash Basis
Period Ending - May 31, 2019

General Ledger

Number	Receipts	Amount	Balance
500	Gift from...	\$ -	
501	Gift from School District Staff	\$ -	
502	Gift from...	\$ -	
503	Bank Account Interest Earnings	\$ 0.04	
504	Transfer - TD Ameritrade (net fees)	\$ 6,038,388.60	
505	Other	\$ -	
506	Other	\$ -	
507	Other	\$ -	
508	Other	\$ -	
	Total Receipts		\$ 6,038,388.64
	Disbursements		
700	To Abington School District	\$ (6,038,388.60)	
701	Gifts	\$ -	
702	Gifts	\$ -	
703	Other	\$ -	
704	Other	\$ -	
705	Other	\$ -	
	Total Disbursements		\$ (6,038,388.60)
	Expenses		
706	Bank Fee	\$ -	
707	Other	\$ -	
708	Other	\$ -	
709	Other	\$ -	
710	Other	\$ -	
711	Other	\$ -	
	Total Expenses		\$ -
	Total Disbursements & Expenses		\$ (6,038,388.60)
	Difference Between Receipts, Disbursements, and Expenses		\$ 0.04
	Beginning Cash		\$ 10.02
	Ending Cash		\$ 10.06

Foundation For Abington School District
General Ledger/Account Reconciliation
Period Ending - May 31, 2019

TD Bank

Date	Description	GL Number	Check Number	Amount	Total	Cash	Bank Account Reconciliation		
						Balance	N or Y	Outstanding	Bank Balance
	Beginning Balance 2019			10.02	10.02	10.02			10.02
01/15/19	Interest Earnings	503		0.01	0.01	10.03	Y	-	10.03
02/01/19	Receipt of Funds from TD Ameritrade Account	504		6,038,388.60	6,038,388.60	6,038,398.63	Y	-	6,038,398.63
02/04/19	Disburse Funds to Abington School District - Capital Project Funds for Additions and renovations to Abington Senior High School	700		(6,038,388.60)	(6,038,388.60)	10.03	Y	-	10.03
02/15/19	Interest Earnings	503		0.01	0.01	10.04	Y	-	10.04
03/15/19	Interest Earnings	503		-	-	10.04	Y	-	10.04
04/15/19	Interest Earnings	503		0.01	0.01	10.05	Y	-	10.05
05/15/19	Interest Earnings	503		0.01	0.01	10.06	Y	-	10.06
			Totals	\$ 10.06	\$ 10.06	\$ 10.06			\$ 10.06

TD AMERITRADE

						Account Reconciliation		
Date	Description	GL Number	Amount	Total	Balance	N or Y	Outstanding	Balance
Begin 2019					6,038,070.00			6,038,070.00
01/30/19	Sale of Stock Gift	101	6,038,480.00	6,038,480.00	6,038,480.00	Y	-	6,038,480.00
01/30/19	TD Ameritrade Fee		(6.95)	(6.95)	6,038,473.05	Y	-	6,038,473.05
01/30/19	Regulatory Fees		(84.45)	(84.45)	6,038,388.60	Y	-	6,038,388.60
02/01/19	Transfer to FASD	700	(6,038,388.60)	(6,038,388.60)	-	Y	-	-
03/31/19	No Activity							
04/30/19	No Activity							
05/31/19	No Activity							
Totals \$			\$ 0.00	\$ 0.00	\$ 0.00			\$ 0.00



Bank

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STATEMENT OF ACCOUNT

000416155 01 AV 0.380 MTD01040033119681354 0011 36 24



FOUNDATION FOR ABINGTON SCHOOL DISTRICT
970 HIGHLAND AVE
ABINGTON PA 19001

Page: 1 of 2
Statement Period: Mar 01 2019-Mar 31 2019
Cust Ref #: [REDACTED]
Primary Account #: [REDACTED]



NP Advantage Checking

FOUNDATION FOR ABINGTON SCHOOL DISTRICT

Account # [REDACTED]

ACCOUNT SUMMARY

Beginning Balance	10.04	Average Collected Balance	10.04
		Interest Earned This Period	0.00
Ending Balance	10.04	Interest Paid Year-to-Date	0.02
		Annual Percentage Yield Earned	0.00%
		Days in Period	31

DAILY ACCOUNT ACTIVITY

No Transactions this Statement Period

2019 MAR 01 07:15 PM

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STATEMENT OF ACCOUNT

000155092 01 AV 0.380 MTD01040050219681499 0023 17 11



FOUNDATION FOR ABINGTON SCHOOL DISTRICT
 970 HIGHLAND AVE
 ABINGTON PA 19001

Page 1 of 2
 Statement Period: Apr 01 2019-Apr 30 2019
 Cust Ref #:
 Primary Account #:

**NP Advantage Checking**

FOUNDATION FOR ABINGTON SCHOOL DISTRICT

Account #

ACCOUNT SUMMARY

Beginning Balance	10.04	Average Collected Balance	10.04
Other Credits	0.01	Interest Earned This Period	0.00
		Interest Paid Year-to-Date	0.03
Ending Balance	10.05	Annual Percentage Yield Earned	0.00%
		Days in Period	30

DAILY ACCOUNT ACTIVITY**Other Credits**

POSTING DATE	DESCRIPTION	AMOUNT
04/15	CREDIT INTEREST, ANALYSIS INT	0.01
	Subtotal:	0.01

DAILY BALANCE SUMMARY

DATE	BALANCE	DATE	BALANCE
03/31	10.04	04/15	10.05

Call 1-800-937-2000 for 24-hour Bank-by-Phone services or connect to www.tdbank.com

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STATEMENT OF ACCOUNT

000161343 01 AV 0.380 MTD01040060219681597 0011 18 12

FOUNDATION FOR ABINGTON SCHOOL DISTRICT
970 HIGHLAND AVE
ABINGTON PA 19001

2019 MAY 10 PM 12:06

1 of 2

Statement Period: May 01 2019-May 31 2019

Cust Ref #:

Primary Account #:

**NP Advantage Checking**

FOUNDATION FOR ABINGTON SCHOOL DISTRICT

Account #

ACCOUNT SUMMARY

Beginning Balance	10.05	Average Collected Balance	10.05
Other Credits	0.01	Interest Earned This Period	0.00
		Interest Paid Year-to-Date	0.04
Ending Balance	10.06	Annual Percentage Yield Earned	0.00%
		Days in Period	31

DAILY ACCOUNT ACTIVITY**Other Credits**

POSTING DATE	DESCRIPTION	AMOUNT
05/15	CREDIT INTEREST, ANALYSIS INT	0.01
	Subtotal:	0.01

DAILY BALANCE SUMMARY

DATE	BALANCE	DATE	BALANCE
04/30	10.05	05/15	10.06

Call 1-800-937-2000 for 24-hour Bank-by-Phone services or connect to www.tdbank.com

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Attachment II

**Application for Automatic Extension of Time To File an
Exempt Organization Return**

OMB No. 1545-1709

- **File a separate application for each return.**
 ► **Go to www.irs.gov/Form8868 for the latest information.**

Electronic filing (e-file). You can electronically file Form 8868 to request a 6-month automatic extension of time to file any of the forms listed below with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, for which an extension request must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/e-file-providers/e-file-for-charities-and-non-profits.

Automatic 6-Month Extension of Time. Only submit original (no copies needed).

All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

		Enter filer's identifying number, see instructions
Type or print File by the due date for filing your return. See instructions.	Name of exempt organization or other filer, see instructions. FOUNDATION FOR ABINGTON SCHOOL DISTRICT	Employer identification number (EIN) or 82-1085620
	Number, street, and room or suite no. If a P.O. box, see instructions. 970 HIGHLAND AVENUE	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. ABINGTON PA 19001	

Enter the Return Code for the return that this application is for (file a separate application for each return) **0 1**

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

• The books are in the care of ► CHRISTOPHER A LIONETTI

Telephone No. ► (215) 884-4700

Fax No. ► _____

• If the organization does not have an office or place of business in the United States, check this box ► ☐

• If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box ► ☐. If it is for part of the group, check this box ► ☐ and attach a list with the names and EINs of all members the extension is for.

1 I request an automatic 6-month extension of time until Nov 15, 20 19, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

► ☒ calendar year 20 18 or

► ☐ tax year beginning _____, 20 _____, and ending _____, 20 _____.

2 If the tax year entered in line 1 is for less than 12 months, check reason: ☐ Initial return ☐ Final return

☐ Change in accounting period

3a If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	0.
b If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	0.
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	0.

Caution: If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

Smart Worksheets from your 2018 Federal Exempt Tax Return

SMART WORKSHEET FOR: Form 8868: Application for Extension of Time to File an Exempt Organization Return

Filing Address Smart Worksheet

Send Form 8868 to: Department of the Treasury
Internal Revenue Service Center
Ogden, UT 84201-0045

2018

Preparer Electronic Filing Instructions
Exempt Org

FOUNDATION FOR ABINGTON SCHOOL DISTRICT	82-1085620
970 HIGHLAND AVENUE	Client Phone
ABINGTON, PA 19001	(215)884-4700
Accepted Date	

This return is NOT FINISHED until you complete the following instructions

Prior to transmission of the return

Form 8868

Form 8868 has been electronically filed, and has been accepted on 05/10/2019.

No payment is due with the Extension.

Form 990

The taxpayer should review Form 990 along with any accompanying schedules and statements.

Form 8879-EO

The taxpayer should review, sign and date Form 8879-EO and return to you prior to transmitting the tax return.

No balance due nor a refund due

After transmission of the return

This return has not been transmitted

Attachment III

May 15, 2019

Board of Directors
Foundation for Abington School District
970 Highland Avenue
Abington, PA 19001

We are pleased to confirm our understanding of the services we are to provide for the Foundation for Abington School District (a nonprofit organization) for the year ended December 31, 2018.

We will audit the financial statements of the Foundation for Abington School District which comprise the statements of assets, liabilities and net assets – cash basis as of December 31, 2018 and the related statements of support, revenues and expenses and the related notes to the financial statements.

Audit Objective

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

Audit Procedures

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from the Organization's attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

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

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U. S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

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

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Other Services

We will prepare the financial statements of the Organization in conformity with the cash basis of accounting based on information provided by you.

We will perform the services in accordance with applicable professional standards issued by the American Institute of Certified Public Accountants. The other services are limited to the financial statement previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

We will also prepare the Organization's Internal Revenue Service Form 990 and Pennsylvania Charitable Organization Report BCO-10 for the year ended December 31, 2018, and the initial Pennsylvania Charitable Organization report BCO-10, based on information provided by you.

This engagement does not cover the preparation of any tax returns not listed above.

The objective of the tax services portion of the engagement is to prepare the tax returns in accordance with Statements on Standards for Tax Services issued by the AICPA and comply with the AICPA's *Code of Professional Conduct*, including the ethical principles of integrity, objectivity, professional competence, and due care.

You are responsible for the safeguarding of assets, the proper recording of transactions in the books of accounts, the substantial accuracy of the financial records, and the full and accurate disclosure to us of all relevant facts affecting the returns. You also have final responsibility for the tax returns and, therefore, the appropriate company officials should review the returns carefully before an authorized officer signs and files them.

If, during our work, we discover information that affects prior-year tax returns, we will make you aware of the facts. However, we cannot be responsible for identifying all items that may affect prior-year returns. If you become aware of such information during the year, please contact us to discuss the best resolution of the issue. We will be happy to prepare appropriate amended returns as a separate engagement.

Our work in connection with the preparation of the tax returns does not include any procedures designed to discover defalcations or other irregularities, should any exist. The returns will be prepared solely from information provided to us without any verification by us.

In accordance with federal law, in no case will we disclose your tax return information to any location outside the United States, to another tax return preparer outside of our firm for purposes of a second opinion, or to any other third party for any purpose other than to prepare your returns without first receiving your consent.

The Internal Revenue Code and regulations impose preparation and disclosure standards with noncompliance penalties on both the preparer of a tax return and on the taxpayer. To avoid exposure to these penalties, it may be necessary in some cases to make certain disclosures to you and/or in the tax return concerning positions taken on the return that do not meet these standards. Accordingly, we will advise you if we identify such a situation, and we will discuss those tax positions that may increase the risk of exposure to penalties and any recommended disclosures before completing the preparation of the return. If we conclude that we are obligated to disclose a position and you refuse to permit disclosure, we reserve the right to withdraw from the tax services portion of the engagement. Likewise, where we disagree about the obligation to disclose a position, you also have a right to choose another professional to prepare your return. In either event, you agree to compensate us for our services to the date of the withdrawal. Our engagement with you will terminate upon our withdrawal.

The Internal Revenue Service permits you to authorize us to discuss, on a limited basis, aspects of your return for one year after the return's due date. Your consent to such a discussion is evidenced by checking a box on the return. Unless you tell us otherwise, we will check that box authorizing the Internal Revenue Service to discuss your return with us.

Certain communications involving tax advice may be privileged and not subject to disclosure to the Internal Revenue Service. By disclosing the contents of those communications to anyone, or by turning over information about those communications to the government, you, your employees, or agents may be waiving this privilege. To protect this right to privileged communication, please consult with us or your attorney prior to disclosing any information about our tax advice. Should you decide it is appropriate for us to disclose any potentially privileged communication, you agree to provide us with written, advance authority to make that disclosure.

Should we receive any request for the disclosure of privileged information from any third party, including a subpoena or Internal Revenue Service summons, we will notify you. In the event you direct us not to make the disclosure, you agree to hold us harmless from any expenses incurred in defending the privilege, including, by way of illustration only, our attorney's fees, court costs, outside adviser's costs, or penalties or fines imposed as a result of your asserting the privilege or your direction to us to assert the privilege.

The returns may be selected for review by the taxing authorities. In the event of an audit, you may be requested to produce documents, records, or other evidence to substantiate the items of income and deduction shown on a tax return. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of a tax examination, we will be available, upon request, to represent you. However, such additional services are not included in our fees for preparation of the tax returns.

Management Responsibilities

You are responsible for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles. You are also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the Organization from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Organization involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Organization received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring the Organization complies with applicable laws and regulations.

You agree to assume all management responsibilities for the tax services, financial statement preparation services, and any other nonattest services we provide; oversee the services by designating an individual, preferable from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing.

Michael F. Czerwonka, III is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fees for the annual services are as follows:

Audit of the 2018 financial statement and preparation of Internal Revenue Service Form 990 and Pennsylvania Charitable Organization Report BCO-10 and the initial Pennsylvania Charitable Organization Report BCO-10.

\$900

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,



Michael F. Czerwonka, III
Certified Public Accountant

MFC/ac

RESPONSE:

This letter correctly sets forth the understanding of the Foundation for Abington School District.

Accepted:

By _____
Raymond McGarry, Esq., President

Date _____

By _____
Christopher A. Lionetti, Treasurer

Date _____

FOUNDATION FOR ABINGTON SCHOOL DISTRICT

Audit Services

Bee, Bergvall & Co, PC
936 Easton Road; PO Box 754
Warrington, PA 18976
Jennifer McHugh, Director
215-343-2727
June 2019

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LETTER OF TRANSMITTAL

Christopher A. Lionetti
Foundation for Abington School District
970 Highland Avenue
Abington, PA 19001

Dear Christopher:

Thank you for the opportunity to present this proposal for auditing services for the Foundation. Our firm has extensive experience serving nonprofits, and we are well positioned to serve the needs of the Foundation given the following:

- The breadth of our experience specifically with nonprofits in varying sectors and complexities.
- Our quality professionals and low turnover.
- The longevity of our clients. We have a number of clients who have left for a few years for audit firm rotation and then returned.
- The value added resource of our division, the Catalyst Center for Nonprofit Management.

Our philosophy is to provide each client with personal, cost effective, and timely high-value services. Our expertise and experience, low turnover, and professional relationships set us apart from other firms.

Please feel free to contact us with any questions. If fees are a deciding factor in your selection of another auditor, we would appreciate the opportunity to discuss with you the scope of our services as we do not want fees to be an obstacle. Thank you again and we look forward to hearing from you.

Very truly yours,



Jennifer McHugh
Certified Public Accountant

FIRM PROFILE

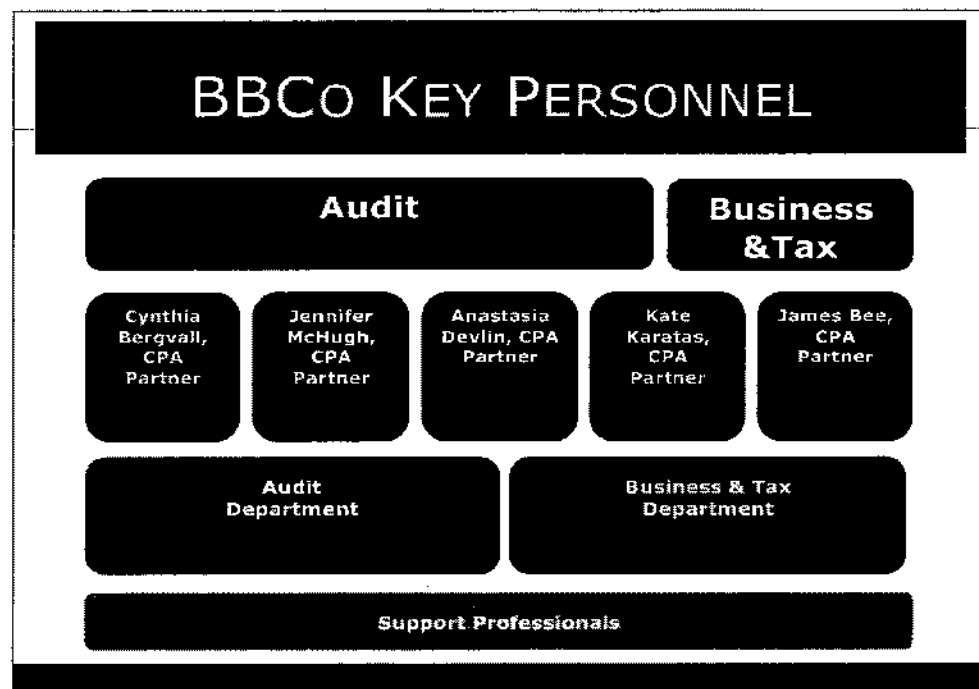
- Firm Background, Size and Structure**

Bee, Bergvall & Company is a local accounting and consulting firm which was founded in 1982. We operate five offices in Pennsylvania and New Jersey, and employ 41 staff, including 27 professionals. Our professionals have extensive experience serving nonprofit clients, municipalities, closely held businesses, and individuals.

Forty percent of our practice is in audit services. Within audit services:

- 13 % of our clients are in the insurance industry
- 45 % are in nonprofit
- 36 % are in municipal
- Bee, Bergvall, and Co. currently works with over 100 nonprofit clients varying in revenues up to \$35 million, with the average revenue of our nonprofit client approximately \$6 million. Last year we conducted approximately 60 nonprofit audit engagements.

The firm is structured as follows:



THE AUDIT APPROACH

We believe in ongoing communications throughout the entire audit. This way we can ensure that all areas of the audit are timely and thoroughly addressed. Because of our communications and open dialogue, all recommendations and findings are discussed continuously throughout the audit. Moreover, we encourage regular communications throughout the year, not just during field work. Our engagements are supervised by the engagement partner. As high-level involvement is critical to a quality audit, the partner's time will account for a significant portion of the total hours spent on the engagement. Our approach is to be attentive and available but not intrusive. Therefore, we will tailor our field work days to work with you and your staff.

We have developed a risk based audit approach that is flexible and adaptable. We use a risk based approach which allows us to address the audit requirements as well as tailor our procedures for every client. In a risk based approach, we perform procedures to understand the client's business, environment and internal control. We assess the possible risk areas and develop audit procedures to address those risks. After evaluating our audit evidence and findings, we will prepare the audited financial statements and any communications.

- **Audit Planning**

We maintain that audit planning is essential to the audit process to ensure that appropriate attention is devoted to important areas, problems identified, and work is completed timely. Our audit planning will be a collaborative effort with the audit team and the client. We begin with a pre-planning meeting to ensure that management's expectations and our expectations are communicated prior to the audit. As part of the planning process, we will invest time learning about you and your organization. This will include understanding your environment, your operations and processes, the roles of management and governance, as well as performance measurements. Effective and efficient audit planning is the best way to ensure your audit timing can be met.

- **Quality Control and CPE**

Bee, Bergvall & Company is proud of its reputation of providing clients with high quality services. We monitor our system of quality control continuously throughout the year and subject our audit and accounting policies and procedures to an independent outside review (referred to as a peer review) every three years as required by our membership in the American Institute of Certified Public Accountants. Bee, Bergvall's system of quality control is based on the AICPA's quality control standards. We are very proud to demonstrate our commitment to quality and integrity.

The American Institute of Certified Public Accountants (AICPA) is committed to helping its members achieve the highest standards in performing quality audits. To help CPAs meet the challenges of performing quality audits for clients in this complex area, the AICPA offers firm-based voluntary membership centers for firms that perform audits. Bee, Bergvall is a dedicated member of the following quality centers:

- AICPA Center for Audit Quality
- AICPA Center for Non Profits
- AICPA Governmental Audit Quality Center

In addition, our involvement with the following committees provides a forum for sharing ideas and resources in order to provide benefits to our clients in a consistently superior manner. As part of our firm's association with these committees, we receive a wide range of support that includes education, training, contacts and resources to help us better service our clients and improve their competitiveness in individual marketplaces.

Our firm has close associations with Pennsylvania Association of Non Profits (PANO) and Cindy Bergvall, is often a presenter.

Many of our staff serve on various nonprofit boards and participate in the following Pennsylvania Institute of CPA Committees:

- Local Government Committee
- Non Profit Committee
- Fiscal Responsibility Task Force
- Peer Review Committee

Continuing Professional Education is a top priority for us at Bee, Bergvall. Each of our team members receive a wide variety of annual training that often will exceed the mandatory PA requirement of 80 hours. The training is conducted by highly qualified instructors, ensuring that we remain on the forefront of issues that could potentially impact our clients.

There are no existing or potential relationships between our firm and your organization and any employee that could affect our independence and objectivity because of an actual or perceived conflict of interest.

• **Value-added Services that make Bee, Bergvall Unique**

Our firm's Catalyst Center for Nonprofit Management provides strategic planning, business plans, board governance assistance and mergers & collaboration consultation. Our work through the Catalyst Center has given us a unique perspective on the value of strong internal controls and processes to provide management with the information needed to monitor impact and make strategic decisions. During the year we offer several seminars and our popular day long Nonprofit University. These seminars; monthly enews, and quarterly newsletters keep you up to date on emerging accounting and reporting issues. The value of these sessions is not only in the content but in the opportunity to meet and network with other nonprofit leaders.

In addition, our firm encourages a community-minded environment, and many of our employees are actively involved in their community, schools and churches. This level of involvement gives us a better understanding of the issues that affect our not for profit clients, such as heightened governance, increasingly complex accounting standards and greater transparency. Clients benefit from the professional expertise of our staff, the dedication of our staff to the community and the culture of our firm which fosters strong client relationships.

- References**

Client	Contact	Client of Firm
The Clay Studio	Jennifer Martin 215-925-3453	2008 to present
Community Service Foundation	Robin Turner-Tolley 610-807-3589	2008 to present
Bucks County Foundation	Linda Goodwin 215-997-8566	2007 to present
Health Qualillty Partners	Bob Lazansky 267-880-1733	2007 to present
Pearl S Buck International	Jill Reeder 215-249-0100	2010 to present

AUDIT TEAM

- **Team Members**

Engagement Partner – Jennifer McHugh, CPA, will oversee the progress of the audit and review the audit files and financial statement before issuance. Jennifer has extensive experience with nonprofit clients, and is very familiar with clients at all levels of complexity.

In-Charge Accountant – Sue Moran, CPA, will manage the day to day activities of the audit, preparation of the financial statements. This team member was chosen because her experience and knowledge most closely matched your Organization's needs.

Biographies of each member are located in the Appendix.

PROPOSED FEES

- Annual Fee Proposal**

The fee proposed is based on the anticipated cooperation of your personnel and that your situation will not significantly change. If significant additional time is necessary, we will keep you informed of any problems we encounter and our fees will be adjusted accordingly. No additional fees will be billed without prior notification.

Our proposed fee below is a fixed fee for auditing services:

Audit of Financial Statements for the year ending December 31, 2018: \$3,000

- Additional Service Fee Proposal**

Any additional professional services requested, outside of the services listed above, will be charged at our hourly rates as described below.

	<u>Billable Rates</u>
Partner	\$ 225
In -Charge	120
Staff	80
Administrative	35

*IRS 990
preparation*

APPENDIX

Your Audit Team Biographies

Your Audit Team Biographies

For your engagement we have assigned one partner and an in-charge accountant.

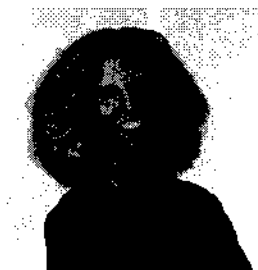


Jennifer McHugh, CPA
Audit Partner

Jennifer will serve as an Audit Partner for your engagement. She will review the audit files and financial statement, and supervise the work of other accountants. Jennifer has provided clients with guidance on the implementation of the ASU 2016-14 Presentation of Financial Statements for Nonprofit Entities. Jennifer has assisted a client with the early implementation of the new nonprofit standard. Jennifer has also

helped clients apply other accounting pronouncements to the various complexities of specific nonprofit situations.

Jennifer has been providing audit and consulting services to nonprofit entities for over 20 years. She has been with Bee, Bergvall since 1995 and brings extensive nonprofit experience to your organization.



Sue Moran, CPA
Staff Accountant

Sue will serve as the Staff Accountant for your engagement. She will conduct the audit and prepare the financial statements. Sue has been with our firm for four years. She has worked with numerous nonprofit organizations. Prior to joining Bee, Bergvall & Co, Sue worked for 14 years as an analyst and regional controller in the commercial real estate

business. Her experience includes financial reporting and analysis, budgeting, human resources, compliance and management. Sue understands the personal nature of business and brings a unique empathy to our nonprofit clients.

Lionetti, Christopher

From: Chris Herr <cherr@Maillie.com>
Sent: Tuesday, June 11, 2019 9:22 AM
To: Lionetti, Christopher
Subject: RE: Audit Proposal for Foundation?

EXTERNAL EMAIL: This message was received from a source outside the Abington School District. **DO NOT CLICK ON ANY LINKS OR OPEN ANY ATTACHMENTS** unless you are familiar with the sender. Never reveal any login information as a result of an external e-mail.

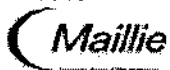
Hi Chris,

I appreciate the opportunity to propose a fee for the Foundation audit. For the Foundation, Our fee for the 2018 audit would be \$850. For future years, that fee would increase by \$25 per year. I certainly enjoy working with you and the School District, so I'm hoping this fee will be competitive with any others you may obtain.

I'm working on getting a formal engagement letter together and should have that in the next few days.

Let me know if you have any questions. Thanks!

Chris Herr, CPA
Partner



PO Box 680
Oaks, PA 19456
cherr@maillie.com
610-935-1420 ext. 235
610-935-1632 (fax)

6-11-2019

Conversation w/C.Herr

- Price excludes preparation 990
- At least additional \$850 to complete

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