

NEW YORK STATE
ASSEMBLY

Proposal to Provide
Professional Services for the Audit
of the Internal Control System

For the period July 1, 2013 through September 30, 2013

TOSKI & CO., CPAs, P.C.

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Douglas E. Zimmerman, CPA
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June 6, 2013

NEW YORK STATE ASSEMBLY

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June 6, 2013

Ms. Sharri Kinley
Director of Purchasing/Contracts
New York State Assembly
Contract Management Unit
Room 205
One Enterprise Drive
Albany, New York 12248

Dear Ms. Kinley:

We are pleased to present our proposal to provide professional services for the audit of the internal control system of the New York State Assembly for the audit period of July 1, 2013 through September 30, 2013. We confirm that we understand the scope of services to be provided and will commit the resources necessary to ensure performance of our services within the required timeframes. Toski & Co., CPAs, P.C. agrees to accept the terms and conditions set forth within the Request for Proposals document. Our proposal is a firm and irrevocable offer for a period of 90 days. The following individual is authorized to make representations for and bind the firm:

Douglas E. Zimmerman, CPA
Managing Director
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dzimmerman@toskicpa.com
Firm Federal ID: 16-1170608

We believe we are the firm best qualified to provide professional services for the Assembly based on:

- Our previous experience in performing the audit of the internal control system of the New York State Assembly for the following periods:
 - July 1, 2007 through September 30, 2007
 - July 1, 2010 through September 30, 2010
- Our extensive experience in performing internal control audits of New York State Agencies in accordance with the New York State Governmental Accountability, Audit and Internal Control Act. We have performed the internal control audits of the following:
 - New York State Division of the Budget (2006, 2009 and 2012)
 - New York State Office of the State Comptroller (2004, 2007 and 2011)
 - New York State Executive Chamber (2004, 2007 and 2010)
 - New York State Assembly (2007 and 2010)
 - New York State Senate (2007 and 2010)
 - New York State Unified Court System (2005, 2008 and 2011)

- Our ability to assemble an engagement team with substantial experience in performing internal control audits in accordance with the New York State Governmental Accountability, Audit and Internal Control Act. All key individuals to be assigned to this engagement have prior experience in performing these audits.
- Our substantial experience with regard to performing audits of internal controls. We perform over 400 audits of internal control on an annual basis in accordance with the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.
- Our experience with various New York State agencies, including the following:
 - New York Local Government Assistance Corporation
 - New York Power Authority
 - New York State Affordable Housing Corporation
 - New York State Assembly
 - New York State Bridge Authority
 - New York State Department of Health
 - New York State Department of Transportation
 - New York State Energy Research Development Agency
 - New York State Executive Chamber
 - New York State Homeless Housing Assistance Corporation
 - New York State Insurance Fund
 - New York State Office for People With Developmental Disabilities
 - New York State Office of Alcoholism and Substance Abuse Services
 - New York State Office of Attorney General
 - New York State Office of Children and Family Services
 - New York State Office of General Services
 - New York State Office of the Medicaid Inspector General
 - New York State Office of the State Comptroller
 - New York State Office of Temporary Disability Assistance
 - New York State Senate
 - New York State Thoroughbred Breeding and Development Fund
 - New York State Thruway Authority
 - New York State Unified Court System
 - New York State Urban Development Corporation
 - New York State Workers' Compensation Board
- Our use of substantially more partner time on engagements than other firms, resulting in improved client service.
- Our ability to provide quality services on a timely basis for reasonable fees.

New York State Assembly
June 6, 2013

We would consider it a distinct privilege to provide professional services as outlined in this letter or any additional services you may desire. Please contact us if there are any questions regarding this letter.

Very truly yours,

TOSKI & CO., CPAs, P.C.

A handwritten signature in black ink, appearing to read 'Douglas E. Zimmerman', with a long horizontal flourish extending to the right.

Douglas E. Zimmerman, CPA
Managing Director

FIRM PHILOSOPHY

Toski & Co., CPAs, P.C. was founded on the principle of providing our clients with the same high quality level of service expected from a national firm yet with the dedicated involvement that can only be developed by personal attention. We are dedicated to the pursuit of imaginative, intelligent and proactive solutions to all of your accounting and consulting service needs.

KEY CONSIDERATIONS REGARDING TOSKI & CO., CPAs, P.C.

Toski & Co., CPAs, P.C. has achieved its present position in the accounting profession by providing quality services on a timely basis, for reasonable fees. Accounting firms should be evaluated in light of several important conditions:

- The firm's qualifications, experience and its ability to provide auditing, accounting and consulting services for a reasonable fee.
- The firm's ability to assemble and commit a team of professionals experienced in providing audit, accounting and consulting services for governmental organizations.
- The firm's involvement of client personnel and active participation and coordination on a year-round basis.
- The firm's commitment to provide services which will contribute to the success of our clients.

In the following paragraphs, we shall demonstrate that Toski & Co., CPAs, P.C., a division of EFP Rotenberg, LLP, is the accounting firm best qualified to serve New York State Assembly.

EFP ROTENBERG, LLP

Our firm is pleased to announce that, effective January 1, 2012, Toski & Co., CPAs, P.C. became a division of EFP Rotenberg, LLP. The Firm is a top 100 accounting and consulting firm in the nation with 44 partners and directors and more than 250 professionals. This team of professionals allows us to offer our clients an expanded breadth of services which we are capable of delivering due to our combined management and staff experience. The Toski & Co., CPAs, P.C. team remains committed to providing our clients outstanding professional services in a timely and cost-effective manner.

LICENSED TO PRACTICE IN NEW YORK STATE

Toski & Co., CPAs, P.C. is licensed to practice in New York State. Please see Appendix A for evidence of the firm's license to practice and licenses of key individuals to be assigned to the engagement.

FIRM QUALIFICATIONS AND EXPERIENCE

Our Firm provides audit, accounting and consulting services to over more than 1,500 organizations located throughout New York State annually, including over 150 governmental organizations. The firm employs 250 professionals with 44 partners and directors. The Firm's Governmental Audit Practice Group consists of 50 highly trained professionals. Please see Appendix A for the qualifications of key personnel and Appendix B for a partial listing of governmental organizations which are our clients.

Our Firm has offices located in Rochester, Williamsville, New York City, Canandaigua, Seneca Falls, Corning, Geneva, Newark, Albany, Elmira, and Los Angeles, California. The work on this engagement will primarily be managed by the governmental industry professionals located in our Williamsville, New York office, with professional staff being provided from other offices as necessary.

Our Firm provides audit services to the New York State Division of the Budget. Our examination includes an audit of the internal controls of the New York State Division of the Budget as required by the New York State Governmental Accountability, Audit and Internal Control Act. Our examination was conducted in accordance with Government Auditing Standards, issued by the Comptroller General of the United States and the standards established by the American Institute of Certified Public Accountants and, accordingly, included obtaining an understanding of internal controls, testing and evaluating the design and operating effectiveness of the internal controls, and performing such other procedures as we considered necessary under the circumstances.

Our Firm provides audit services to the New York State Office of the State Comptroller. We recently performed the audit of the system of internal controls of the New York State Office of the State Comptroller. Our examination was conducted in accordance with Government Auditing Standards, issued by the Comptroller General of the United States and the standards established by the American Institute of Certified Public Accountants and, accordingly, included obtaining an understanding of internal controls, testing, and evaluating the design and operating effectiveness of the internal controls, and performing such other procedures as we considered necessary under the circumstances. The Office of the State Comptroller is responsible for paying New York State's bills and payrolls, verifying all financial transactions of the State, reviewing the financial and management practices of State agencies, supervising the fiscal affairs of local governments, investing State funds and issuing bonds and notes and administering the retirement program for the State and most local government employees.

Our Firm previously provided audit services to the New York State Unified Court System. Our examination includes an audit of the internal controls of the Unified Court System as required by the New York State Governmental Accountability, Audit and Internal Control Act. Our examination was conducted in accordance with Government Auditing Standards, issued by the Comptroller General of the United States and the standards established by the American Institute of Certified Public Accountants and, accordingly, included obtaining an understanding of internal controls, testing, and evaluating the design and operating effectiveness of the internal controls, and performing such other procedures as we consider necessary under the circumstances.

Our Firm provides audit services to the New York State Assembly. Our examination includes an audit of the internal controls of the New York State Assembly as required by the New York State Governmental Accountability, Audit and Internal Control Act. Our examination was conducted in accordance with Government Auditing Standards, issued by the Comptroller General of the United States and the standards established by the American Institute of Certified Public Accountants and, accordingly, included obtaining an understanding of internal controls, testing, and evaluating the design and operating effectiveness of the internal controls, and performing such other procedures as we consider necessary under the circumstances.

Our Firm provides audit services to the New York State Executive Chamber as required by the New York State Governmental Accountability, Audit and Internal Control Act. We recently performed the audit of the system of internal controls of the New York State Executive Chamber. Our examination was conducted in accordance with Government Auditing Standards, issued by the Comptroller General of the United States and the standards established by the American Institute of Certified Public Accountants and, accordingly, included obtaining an understanding of internal controls, testing and evaluating the design and operating effectiveness of the internal controls, and performing such other procedures as we considered necessary under the circumstances. The New York State Executive Chamber is responsible for overseeing the operations of the Executive Branch of New York State Government (the Governor's Office).

Our Firm provides audit services to the New York State Senate. Our examination includes an audit of the internal controls of the New York State Senate as required by the New York State Governmental Accountability, Audit and Internal Control Act. Our examination was conducted in accordance with Government Auditing Standards, issued by the Comptroller General of the United States and the standards established by the American Institute of Certified Public Accountants and, accordingly, included obtaining an understanding of internal controls, testing, and evaluating the design and operating effectiveness of the internal controls, and performing such other procedures as we consider necessary under the circumstances. Besides passing upon legislative proposals and constitutional amendments, the New York State Senate confirms or rejects nominations made by the Governor for the filling of certain State and judicial offices.

Our Firm provides internal audit services to the New York State Office of General Services (OGS) - Design and Construction Group. Our Firm has expended over 28,000 hours in the last seven years providing services to OGS. These services are provided to OGS through Mr. Robert Curtin's office. These services include extensive auditing of the internal control system of the Design and Construction Group related to the following:

- Construction contract bid process, including advertisement and bid opening procedures.
- Execution of construction contracts.
- Review issuance of field orders and change orders for compliance with OGS regulations.
- Interview of Engineers in Charge of projects to review work performed to assess contract status, documentation of progress billings and compliance with terms of contract.
- Review all subcontractors utilized on construction contracts to confirm that the subcontractors were properly approved by OGS.
- Review and determine the extent of known design errors/omissions on construction projects.
- Review of Biweekly Engineers in Charge meeting minutes to ensure that appropriate meeting coverage is noted with regard to:
 - Percentage of contract completion
 - Contractor and subcontractor attendance
 - Contract delays with accompanying reasons
 - Site workers for each contractor
 - Quality of workmanship
- Detailed review of field office files to ensure compliance with OGS guidelines including maintenance of:
 - Project manuals
 - Project correspondence
 - Job meeting minutes
 - Payment requisitions
 - Certified payrolls
 - Change orders/field orders

Our Firm provides audit services to the New York State Office for People With Developmentally Disabilities (OPWDD). We perform limited fiscal reviews of nonprofit organizations to assess operating, internal control and financial aspects of OPWDD-funded agencies. Our Firm has expended over 90,000 hours over the last seven years providing audit services to OPWDD. We have performed limited fiscal reviews of more than 150 OPWDD-funded agencies located throughout New York State. In connection with our audits, we perform the following procedures:

- Review the agency's financial statements to determine if the agency is financially viable.
- Review of Board of Directors' minutes to ascertain adequate oversight.
- Assess the effectiveness of the internal controls over cash receipts and cash disbursements.
- Review the agency's budgets, bank reconciliations and payroll information.
- Assess the agency's controls over safeguarding of property and equipment.
- Review of Medicaid Waiver service billings to assess the effectiveness of internal controls over the billing documentation and ascertain that the agency has appropriate documentation.
- Assess the agency's compliance with the Criminal Background Check Law and Regulations.
- Assess the agency's compliance with the Health Care Enhancement Initiative Review Program.

Our Firm provides audit services to the New York State Office of Alcoholism and Substance Abuse Services (OASAS). We perform cost certification audits of construction contracts in connection with bond issuances by the Dormitory Authority of the State of New York (DASNY). In connection with these engagements (more than 60 audits to date), we audit the construction costs related to the development or rehabilitation of OASAS funded residential facilities. Each expenditure is verified to applicable contract's purchase orders, vendor invoices, job cost orders, etc. In connection with these engagements, we also compile and reconcile the information necessary to comply with DASNY bond closing requirements.

Our Firm provided audit services under contract with New York City Department of Juvenile Justice. Our examination was conducted in accordance with Government Auditing Standards, issued by the Comptroller General of the United States and, accordingly, included obtaining an understanding of internal controls, testing, and evaluating the design and operating effectiveness of the internal controls, and performing such other procedures as we consider necessary under the circumstances.

Our Firm provided internal control services to the New York City Department of Citywide Administrative Services (DCAS). We researched and reported on management "best practices" for equivalent or similar warehousing operations as well as for the cyclical inventory county process that is utilized in those warehousing operations. We also investigated a variance in a shortage of approximately 7,000 cartons of paper that was discovered by DCAS staff when a physical inventory county was conducted.

Our Firm has been engaged by SUNY at Stony Brook University Hospital Medical Center to augment the Center's internal audit department in four key strategic risk areas. The Center, whose budget is over \$800 million annually, requires assistance in the complex areas of Computerized Physician Order Entry relating to inpatient service revenue, Information Technology (IT) application change processes with respect to Electronic Health Record and the controls over logical and physical access over IT applications and infrastructure and internal control compliance over the Center's \$500 million major modernization construction project.

Peer Review

Toski & Co., CPAs, P.C. retains an independent accounting firm to conduct a review of its system of quality control every three years in accordance with the rigorous standards of the American Institute of Certified Public Accountants. In January 2010, our Firm (previously known as Toski, Schaefer & Co., P.C.) successfully completed the most recent peer review of its accounting and auditing practice. The review determined that the Firm complies with the stringent quality control standards set by the American Institute of Certified Public Accountants. Our Firm has received the highest rating possible with no letter of comments being required in each of its last seven peer reviews. According to the peer review team, less than one percent of the firms in the nation achieve this level of excellence. We believe that this attests to our commitment to quality. Peer reviews, which are performed every three years, are required of all CPA firms and are conducted in accordance with rules issued by the American Institute of Certified Public Accountants. (See Appendix C for a copy of the report issued in connection with our most recent peer review.)

ASSIGNED STAFF QUALIFICATIONS AND EXPERIENCE

Achieving our present position in the profession has come as a result of being responsive to the needs of our clients. Accordingly, we will assemble an engagement team that will include audit personnel with extensive experience in performing audits of systems of internal controls in accordance with the New York State Governmental Accountability Audit and Internal Control Act. A combination of a coordinated team approach and up-to-date knowledge allows for the most efficient approach to providing comprehensive professional services. The partners assigned to this engagement are the same individuals assigned to our audits of the internal control systems of the New York Office of the State Comptroller, New York State Division of the Budget, Unified Court System, New York State Executive Chamber and New York State Senate. All individuals assigned to the engagement have substantial experience providing internal control services to governmental organizations. Please see Appendix A for resumes of individuals available for assignment under this contract. The key individuals to be assigned and their roles are as follows:

Douglas E. Zimmerman, CPA will be a partner assigned to this engagement. He has over 26 years of public accounting experience. He currently functions as the managing director in the Firm and has responsibility for providing audit, accounting and consulting services for numerous governmental organizations. He has supervised and prepared numerous internal control audits for many of our clients. He was the partner in charge of the 2007 and 2010 audits of the Assembly's system of internal controls. He received a Bachelor of Science degree in Accounting from State University of New York College at Geneseo in 1986. He was licensed in New York State as a Certified Public Accountant in 1989. He is a member of the American Institute of Certified Public Accountants and the New York State Society of Certified Public Accountants.

John S. Rizzo, CPA, CBA will be a partner assigned to this engagement. He has over 33 years of accounting experience. He currently functions as a director in the firm and has responsibility for providing audit, accounting and consulting services for numerous governmental organizations. He previously served as a senior manager in the Buffalo office of KPMG, LLP and as the Deputy Comptroller for the County of Erie. He received a Bachelor of Science degree in Accounting from State University of New York at Buffalo in 1979. He was licensed in New York State as a Certified Public Accountant in 1985 and a Certified Bank Auditor in 1984. He is a member of the American Institute of Certified Public Accountants, the New York State Society of Certified Public Accountants and the Institute of Internal Auditors.

Brent M. Jensen, CPA will be a manager assigned to this engagement. He has over six years of public accounting experience. He currently functions as a manager in the Firm and has responsibility for providing audit, accounting and consulting services for numerous governmental organizations. He received a Bachelor of Science degree in Accounting from State University of New York at Buffalo in 2006. He was licensed in New York State as a Certified Public Accountant in 2013. He is a member of the American Institute of Certified Public Accountants and the New York State Society of Certified Public Accountants.

Anthony C. Pezzino will be a senior accountant assigned to this engagement. He has over seven years of public accounting experience. He currently functions as a supervisor in the Firm and has responsibility for providing audit, accounting, and consulting services for numerous governmental organizations. He received a Bachelor of Science degree from D'Youville College in 2005.

Brian P. Majchrowicz will be a senior accountant assigned to this engagement. He has over 11 years of public accounting experience. He currently functions as a senior accountant in the firm and has responsibility for providing auditing, accounting and consulting services for numerous governmental organizations. He received a Bachelor of Science degree in Accounting from State University of New York at Buffalo in 2001.

Quality Assurance

All staff will be properly supervised during the engagement to ensure that our quality control standards are met. Mr. Douglas E. Zimmerman, CPA will serve as the engagement review partner on the engagement. Mr. Zimmerman served on our previous engagements auditing the internal control systems of the New York Office of the State Comptroller, New York State Division of the Budget, Unified Court System, New York State Executive Chamber, New York State Assembly and New York State Senate. He will be responsible for the day-to-day fieldwork and for supervising the staff assigned to the engagement. In order to ensure the audit has been properly planned and supervised and that proper evidential matter has been obtained to support our conclusions, all workpapers are reviewed in the field by the audit manager and a partner assigned to the engagement. Our firm uses substantially more partner time on engagements than other firms, resulting in improved client service. Any substitutions in staff during the engagement will only be made after notification to and approval of the Budget Director.

PRIOR GOVERNMENTAL AUDIT ENGAGEMENTS

Our Firm has provided various audit services to numerous governmental organizations. The following is a listing of the most significant engagements similar to the services requested by the New York State Assembly:

New York State Assembly
June 6, 2013

New York State Office of the State Comptroller

Scope of work: Internal control audit.

Date: 2004 through 2011

Hours: 1,000

Engagement partner: Mr. Ronald C. Toski, CPA / Mr. Douglas E. Zimmerman, CPA

Contact: Mr. Stephen R. Hillerman, CIA
Assistant Comptroller for Internal Audit
New York State Office of the State Comptroller
200 Jordan Road
Troy, New York 12180
(518) 549-2393

New York State Office of General Services

Scope of work: Internal audit services.

Date: 2005 and ongoing

Hours: 12,000

Engagement partner: Mr. Douglas E. Zimmerman, CPA / Mr. John S. Rizzo, CPA

Contact: Robert Curtin, CPA
Director of Internal Audit
New York State Office of General Services
40th Floor Corning Tower
Empire State Plaza
Albany, New York 12242
(518) 474-3634

New York State Unified Court System

Scope of work: Internal control audit.

Date: 2005 through 2011

Hours: 322

Engagement partner: Mr. Douglas E. Zimmerman, CPA

Contact: Mr. Steven Stottlar
Internal Auditor
New York State Unified Court System
Office of Court Administration
224 Harrison Street - Suite 504
Syracuse, New York 13202
(518) 453-4661

New York State Executive Chamber

Scope of Work: Internal control audit.

Date: 2004 through 2010

Hours: 290

Engagement partner: Mr. Douglas E. Zimmerman, CPA

Contact: Ms. Theresa A. Brennan
Director of Administrative Services
New York State Executive Chamber
State Capitol
Albany, New York 12224
(518) 474-3036

SPECIFIC AUDIT APPROACH

Toski & Co., CPAs, P.C. would conduct an audit of the existing internal controls of the New York State Assembly pursuant to the requirements of the New York State Governmental Accountability, Audit and Internal Control Act (under New York State Executive Law Section 950). This audit would be conducted in accordance with the standards contained in Government Auditing Standards, issued by the Comptroller General of the United States. A brief summary of the audit approach to be utilized is as follows:

- (a) Planning.
- (b) Assessment of Significant Controls.
- (c) Testing of Significant Controls.
- (d) Reporting.

Our approach will focus on controls within the Assembly. We will focus on management controls, update our understanding of these controls, and perform tests of the adequacy of the controls in place. We will determine the types of errors that could occur and the control procedures to prevent or detect such errors. This approach will also allow us to determine whether the necessary procedures are prescribed and being followed and to evaluate any weaknesses.

Planning

The planning phase will start with an entrance conference with the Internal Control Officer and other appropriate Assembly representatives and conclude with a progress conference at which the results of the planning phase will be reviewed. This phase encompasses the following tasks:

- Entrance conference
- Update our understanding of significant controls and functions
- Identification of significant functions for testing and evaluation
- Determination of prior audits or studies to utilize
- Completion of detailed audit programs

Entrance Conference

We will hold a meeting with the appropriate Assembly personnel. A partial list of the items we would expect to cover in the meeting would be:

- Introduce the firm's team
- Timing of work
- Familiarize the Assembly's project team with our audit approach
- Discuss Assembly staff involvement
- Identify any area of management concern

Update our understanding of significant controls and functions

We will review the Assembly's documentation of functions as presented in the following:

- Operations Manual
- Policy and procedures manuals of control agencies including the Office of the State Comptroller, Office of General Services, Division of the Budget, and the Department of Civil Service.
- Administrative Practices Manual

Toski & Co., CPAs, P.C. will obtain an understanding of the internal control of the Assembly. The understanding will include each of the components of the control structure such as:

- Control environment.
- Risk assessment.
- Control activities.
- Information and communication.
- Monitoring.

Control environment sets the tone of an organization and influences the control consciousness of its people. It is the foundation for all other components of internal control, providing discipline and structure.

Risk assessment is the entity's identification and analysis of relevant risks to the achievement of its objectives. This forms a basis for determining how the risks should be managed.

Control activities are the policies and procedures that help ensure that management's directives are carried out.

Information and communication are the means to identify, capture, and exchange information in a form and time frame that enable people to carry out their responsibilities.

Monitoring is a process that assesses the quality of internal control performance over time.

Identification of significant functions for testing and evaluation

The following will be considered in determining the functions and transactions significant enough to be tested:

- Prior internal control audit determinations
- Review of organizational changes
- New Assembly responsibilities
- Review of internal controls

During the interim work period, we will identify all significant internal controls (operational and accounting) and make our preliminary determination as to which internal controls are considered relevant and are to be reviewed, evaluated, and tested to comply with the objectives of the Act. We will focus on the types of transactions and related controls that could materially affect the operations of the Assembly, as well as the segregation of duties and operations.

Determination of prior audits or studies to utilize

We will determine the extent that existing work, if any, can be relied upon and utilized by:

- Assessing studies and audits that have been performed and their scope
- Reviewing workpapers of selected studies and audits
- Determining reliance to be placed on this work
- Determining additional audit work to be performed

Completion of detailed audit programs

We will complete our review of the objectives and related controls we have identified for testing and the detailed audit programs for executing our tests for approval by the project manager. The plan will include our determination of significant internal administration and accounting controls to be reviewed, tested, and evaluated. The plan will also include an outline of the specific procedures and types of tests to be performed.

Assessment of Significant Controls

The assessment phase will include our documentation and assessment of the Assembly's established procedures. This phase will include our evaluation of the general control environment and assessment of significant accounting and administrative controls.

- Document the Assembly's general control environment
- Divisional entrance conferences
- Document and assess accounting controls
- Document and assess operations controls

Document the Assembly's general control environment

Our approach includes a thorough review of the Assembly's general control environment. The general control environment is not directly associated with a particular function or transaction; however, it has a significant influence on the design and execution of controls within every function or program.

The following aspects of the general control environment will be documented:

- Organizational structure
- Integrity and ethical values
- Relationship to governing bodies
- Philosophy and operating style
- Organizational structure
- Assignment of authority and responsibility
- Commitment to competence

Since this sets the tone and affects all the various units involved in the internal control audit, we will review the above factors to conclude on the adequacy of the overall framework for planning and implementing objectives and maintaining internal control throughout the Assembly.

Divisional entrance conferences

These meetings will include a review of the objectives and related controls that have been identified for testing. These meetings would include a discussion of any questions or concerns the Assembly unit staff may have in relation to our approach.

Document and assess accounting controls

For the objectives and controls identified at each division we will determine which to test based on our review of the risk of a material weakness. We will consider the volume of transactions, value of transactions, and the complexity of the process. Our documentation of the accounting systems and controls will be accomplished using to the extent possible, existing manuals and documentation within the Assembly, as well as our work performed on the previous internal control audit of the Assembly.

Document and assess operational controls

The review of operational controls is critical to the engagement in that it distinguishes this audit from tests of controls performed in a standard financial statement audit. Our experience in performing this and other Internal Control Audits has given us direct experience in meeting the requirement of auditing and reporting on internal controls under the Internal Control Act. We have previously designed a program for auditing internal controls and reporting on controls. This experience will increase our efficiency and effectiveness.

Testing of Significant Controls

This phase consists of the actual tests of significant controls and provides evidence that controls are functioning as designed. It also includes the evaluations of exceptions and the summarization of audit results. The specific tasks are as follows:

- Design tests of internal controls
- Test significant internal controls
- Assess likelihood of a material error

Design tests of internal controls

We will design the compliance test in the most effective and efficient manner possible. In designing the most effective tests of controls the following concerns will be considered:

- Were the expected procedures performed?
- Were they performed adequately?
- Were they performed by someone with incompatible duties?

Test significant internal controls

Internal control tests will be used to evaluate controls routinely throughout the audit. Test of controls is used to gather evidence indicating whether a control is functioning effectively and achieving its objectives. The evidence of the information's correctness will generally be obtained by re-performance of the control.

We will use one of two methods, or a combination of these methods to test controls over transaction procedures. These methods are described as follows:

- Inquiry and observation
- Inspection of documents, records, and reports and re-performance of certain internal control procedures

In a stronger control environment, the inquiry and observation technique provides persuasive audit evidence as to the design and effectiveness of controls. The inquiry and observation technique will be used to test supervisory controls. In such a test, the person or persons, directly performing the control will be asked to walk the auditor through all steps of the procedure. Many times the inquiry and observation may be performed during our initial documentation of the system, which results in a great time savings. Occasionally, this is the only type of test that is possible.

Inspection of documents and reports will be performed where a documented control exists. Review of documentary evidence, and discussion with the individual performing the control provides sufficient evidence as to the design and effectiveness of the control. The correctness of the information subject to the control is usually tested through re-performance of the control procedure, but may be tested through some other method. If re-performance of the control is necessary, a sample of items will be chosen.

Assess likelihood of material error

The results of our testing directly affect our assessment of the adequacy of the established internal control system. At this point in the engagement we will have concluded on the adequacy of the system design and this final evaluation considers the evidence we will have gathered through the previous steps to determine if the established system is operating effectively.

When a control has not been applied it is referred to as a compliance deviation. The concept of what constitutes a compliance deviation in the circumstances is important and must be carefully considered for each test of a control. This area is highly judgmental; defining the deviation incorrectly can result in an incorrect conclusion on the overall system. Since the purpose of the test of a control is to gather evidence about the effectiveness of the control, all deviations are significant regardless of the dollar amount involved.

The engagement will include the following functional areas of the Assembly:

- Budget
- Personnel
- Training
- Benefits
- Employee Compensation
- Purchase Transactions
- Contracts
- Journal Vouchers
- Postage
- District Office
- Travel Vouchers
- Property and Equipment
- Centralized Data Processing

Significant controls in the scope of the engagement will include, but not be limited to, those in the following departments:

Accounting / Finance Department

- Budget
 - Assembly appropriations are authorized by the Governor.
 - Appropriation transfer memo is authorized by either the Budget Director (between cost categories) or appropriate authorized designee.
 - Appropriation is compared to the expenditures on a regular basis. Any significant variances are brought to the attention of the Director of Administration.
 - Re-appropriations are monitored against the budget of the prior period.
- Employee Compensation
 - Timesheets are completed for all Assembly staff each pay period and are signed by the individual and their time supervisor.
 - When a timesheet is delinquent (not received 35 days after payday), paychecks are withheld unless there are mitigating circumstances.
 - An authorized PAR documents all personnel transactions. Input to the personnel system, based on the PAR generates a T-form. The T-form is the basis for initiating a payroll transactions, which is processed through the Office of the State Comptroller (OSC) payroll system (PAYSERV).
 - All Assembly Members and staff complete an oath of office form.
 - Check distribution lists are generated by Office Automation and Data Processing department (OADP). Payroll compares and reconciles this file to the T-forms and the information attached to the Speaker's Certification.
 - Payroll staff agrees each check/advice received from OSC to the distribution list.

- Any checks held by the payroll unit are locked in a safe or cabinet with limited access.
- When an employee picks up a paycheck, that individual must sign for it.
- Member salaries and special allowances are authorized by law in the legislative budget. Transactions are verified twice before being finalized in the PAYSERV system at OSC.
- The Speaker's Certification Letter is prepared and attached to the bi-weekly rates, title changes, line changes and appointments obtained from the certified T-forms. This Certification documents authorization, by the Speaker, of payroll transactions sent to OSC.
- APC056 Ledger Verification Report reconciles the Assembly's personnel system to the PAYSERV payroll system. Exceptions are reviewed and corrected by the finance department.
- The payroll unit reviews a bi-weekly cost center appropriations balance log for the various payrolls to ensure that the personal service is charged to the appropriate budget line items.
- Journal Vouchers
 - All journal vouchers (error corrections, chargebacks, journal transfers, legislative chargebacks and refund of appropriations) are approved by the appropriate department/unit head and the Director of Finance or designee.
- Postage
 - Postage requisitions forms must be completed and signed to authorize processing through the Assembly's mail room.
 - The Director of Finance or designee reviews and signs the voucher used to increase the postage meter reserve level.
 - Daily, the Finance Department reconciles postage requisition forms to postage meter readings.
- Travel Vouchers
 - The Assembly has established written Travel Policies which are distributed to Members and staff.
 - Request for travel approval (RTAs or MRTAs) are signed by the traveler and approved by a supervisor.
 - MRTAs (where required) for Majority Members are approved by the Speaker. RTAs for Majority Member staff and central staff are approved by the Director of Administration or designee. MRTAs/RTAs (where required) for Minority Members and staff are approved by the Minority Leader or designee.
 - The Finance Department audits travel vouchers for payee name, adherence to guidelines, completeness, accuracy, appropriate signatures, agreement to RTA/MRTA where required, and applicable receipts, and evidences approval on the voucher package.
 - Director of Finance or designee approves each voucher.

Procurement

- Purchase Transactions

- An item requisition is required for all purchase order related vouchers. The item requisition is reviewed by the Director of Procurement for proper approval.
- Item requisitions are signed by the Member, Department or Unit head or designee and approved by either the Director of Procurement, the Internal Control Director or the Director of Administration or designee. Item Requisitions initiated by the Director of Procurement are signed by either the Internal Control Director or the Director of Administration.
- The Director of Finance must sign all item requisitions over \$5,000, indicating budgetary approval.
- Minority office purchases are approved by the Minority Director of Administration and Personnel or designee.
- Thresholds are set, within Purchasing procedures, requiring formal and informal bidding and the documentation of vendor selection.
- For single purchases over \$50,000, where bidding is required, at least five written bids are solicited. Where bidding is not required, there is documentation maintained as to the reason why bidding did not take place (e.g. State purchase contract, sole or single source procurement) which is reviewed by either the Director of Procurement, the Internal Control Director or the Director of Administration. All requests for proposal and invitation for bids are reviewed by the Counsel to the Majority before they are issued by the Assembly. All contract awards are reviewed by the Counsel to the Majority and by the Director of Finance for budgetary approval (over \$5,000).
- All purchase order numbers are computer generated in sequential order.
- The Director of Purchasing or designee reviews and approves the purchase order.
- Compliance with the prompt payment law requires the Assembly to pay vendors within 30 calendar days of the Merchandise/Invoice Receipt (MIR) date. This is monitored in the Finance Department as a part of voucher processing. MIR dates are entered into the voucher processing system and exception reports are produced and monitored to prevent late payments.
- For Albany area offices purchase order transactions, receiving personnel physically count the items received and compare the items to the vendor's packing list and shipper's bill of lading, and approve a receiving report which is sent to Purchasing and the Finance Department.
- An inventory receipt form, produced along with the receiving report, is sent with the items to the delivery location specified on the purchase order. This form is signed by the requesting unit to confirm receipt at the delivery location, and a copy is sent back to the Inventory Management Unit.
- For district Office transactions, receipt of goods is verified by the Member's signature on either an inventory receipt form, the voucher or invoice or other supporting documentation.

- The Finance Department audits the voucher package for accuracy, completeness, duplication of payment, and agreement between the purchase order, receiving report or work performance form (receipt of services), invoice and any other supporting documentation and evidences approval on the voucher package.
- Voucher numbers are computer generated in sequential order.
- Director of Finance or designee approves each voucher.
- Voucher data is transmitted electronically to OSC and verified daily. OADP runs a series of daily programs that compare the OSC and Assembly expenditure and payment data. Exception reports are produced by OADP and are reviewed and reconciled daily by the Finance Department.
- Contracts
 - An item requisition is required for all contracts. The item requisition is reviewed by the Director of Procurement for proper approval.
 - Item requisitions are authorized by the Member, Department or Unit head or designee and approved by either the Director of Procurement, the Internal Control Director or the Director of Administration. Item requisitions initiated by the Director of Procurement are authorized by either the Internal Control Director or the Director of Administration.
 - Minority office items requisitions are approved by the Minority Director of Administration or designee.
 - For contracts over \$50,000, where bidding is required, at least five written bids are solicited. Where bidding is not required, there is documentation maintained as to the reason why bidding did not take place (e.g. State purchase contract, sole or single source procurement) which is reviewed by either the Director of Procurement, the Internal Control Director or the Director of Administration. All requests for proposals (RFP) and invitation for bids (IFB) are reviewed by the Counsel to the Majority before they are issued by the Assembly. All contract awards are reviewed by the Counsel to the Majority and by the Director of Finance for budgetary approval (\$5,000).
 - The contract is signed by either the Director of Procurement, Internal Control Director or Director of Administration. Contracts in excess of \$50,000 are approved by the Attorney General and OSC.
 - Contract encumbrances are posted and sent to OSC electronically. Encumbrances are reviewed and reconciled through the Finance Department's daily reporting process.
 - Compliance with prompt payment law requires the Assembly to pay vendors within 30 calendar days of the Merchandise/Invoice Receipt (MIR) date. This is monitored in the Finance Department as a part of voucher processing. MIR dates are entered into the voucher processing system and exception reports are produced and monitored to prevent late payments.
 - For Albany area offices purchase order transactions, receiving personnel physically count the items received and compare the items to the vendor's packing list and shipper's bill of lading, and prepare and approve the computer generated receiving report which is sent to Purchasing and the Finance Department.

- An inventory receipt form, produced along with the receiving report, is sent with the items to the delivery location. This form is signed by the requesting unit to confirm receipt at the delivery location, and a copy is sent back to the Inventory Management unit.
- For District Office transactions, receipt of goods is verified by the Member's signature on either an inventory receipt form, the voucher or invoice or other supporting documentation.
- The Finance Department audits the contract voucher package for agreement with contract terms, accuracy, completeness, duplication of payment, coverage period, receiving report or work performance form (receipt of services) where applicable, invoice and any other supporting documentation and evidences approval on the voucher package.
- Voucher numbers are computer generated in sequential order.
- Director of Finance or designee approves each voucher.
- Vouchers are electronically posted against the available encumbrance balance.
- Voucher data is transmitted electronically to OSC and verified daily. OADP runs a series of daily programs that compare the OSC and Assembly encumbrance, expenditure and payment data. Exception reports are produced by OADP and are reviewed and reconciled daily by the Finance Department.
- Property and Equipment
 - Inventory is logged into a receiving log at the time it is unloaded at the loading dock.
 - Receiving personnel physically count items received and compare the items to the vendor's packing list and shipper's bill of lading.
 - A receiving report is completed at the time items are counted and inspected. A supervisor reviews all receiving reports for accuracy. Electronic receiving reports are produced whenever possible (PO transactions), otherwise a manual multi-part receiving report form is produced. Receiving reports are distributed to Purchasing and Finance.
 - An inventory receipt form, produced along with the receiving report, is sent with the items to the requesting unit's delivery location. This form is signed by the requesting unit to confirm receipt at the delivery location, and a copy is sent back to the Inventory Management Unit,
 - Equipment and furniture is tagged with an Assembly decal.
 - Based on documented criteria for tracking assets, the Inventory Tracking System is updated, via data from the inventory receipt form, receiving report and purchase order.
 - Data input to the Inventory Tracking System reviewed by the supervisor of Inventory Management utilizing maintenance reports issued by OADP.
 - The written physical inventory plan has the prior approval of the Director of Procurement.

- Physical inventories are taken at all Albany locations and also at the district and regional offices. The annual inventory plan documents the cycle during which inventories take place. The results of the physical inventory are signed by the Inventory Management Unit and the Member, Department/Unit head or designee.
- The Director of Procurement signs the Supervisor's summary after the inventory paperwork has been reviewed.

Human Resources

- Personnel
 - Personnel files are established for each appointment (exclude members) upon hiring/appointment.
 - Personnel files include all relevant documentation as required by Personnel procedures.
 - Personnel, Benefit, Time & Attendance files are maintained within the respective units of the Human Resources Department for all Assembly staff and for Members, where required.
 - Personnel Action Request (PAR) is completed for all personnel transactions and approved by the Member or Appointing Authority.
 - PAR data is entered into the personnel system and a T-form is generated. Supervisory review of the transaction and supporting documentation is indicated by electronic approval. Additional review and approval is provided by the Director of Human Resources and by the Director of Minority Administration and Personnel (minority personnel).
 - For all terminations, Time and Attendance sends timebank balance information to Personnel to identify sick time to be banked for retirement or transferred to another state agency, and/or vacation time payable. Personnel verified that negative timebank balances are recouped before final paychecks are released.
 - Payroll operates on a log basis which ensures adequate funds available.
 - Assembly Counsel monitors Equal Employment Opportunity issues as well as other applicable laws.
 - All new appointments must file an I-9 (immigration form) for proof of employment eligibility.
- Training
 - On the job training is provided within Departments.
 - Assembly Members and staff are informed of the schedule and subject matter of Assembly training events. This is done through the circulation of announcements, bulletins, schedules, posters, course descriptions, letters, audio-visual material, or any other relevant and effective means. Software training opportunities are published on the Assembly Internet.

- Benefits
 - A mandatory orientation program is conducted for all Albany-based new hires of the Assembly that includes the distribution of the "Employee Information Guide" containing benefit information. The information is mailed directly to their home address for non-Albany based employees.
 - Updates to the Guide are distributed periodically and reprinted in its entirety biannually. Letters are placed in paycheck envelopes or mailed directly to home addresses to publicize changes in benefits.
 - Biweekly, Benefits unit monitors changes in payroll status that impact benefits.
 - Information is entered into the Assembly's personnel system using the PAR. In addition, there are two levels of supervisory review and approval.

Office Automation and Data Processing

- District Office
 - Each lease is signed by the Assembly's Administrator Counsel and reviewed by the Attorney General and OSC.
 - For each new lease, the landlord signs a statement attesting that the lease is not with an Assembly Member or Assembly staff or immediate relative, or a Company in which the Assembly Member or Assembly staff or immediate relative has an interest.
 - District office vouchers are reviewed by the Finance Department to ensure that expenditures do not exceed allotted limits, and that the expenditures type appears on a list of allowable expenditures. Voucher processing system edits prevent District Office allotments from being exceeded.
 - Director of Finance or designee approves each voucher.
- Centralized Data Processing
 - Written standards and procedures exist for application development and maintenance and are reviewed and updated at least annually by the Manager of Application Programming.
 - Separate test and production environments are maintained. Development activities are performed in test. Programmers have read-only access to production environment.
 - Requests for new and modifications to custom application software and production programs are made in writing via a user request for programming services form. The users and Centralized Data Processing (CDP) personnel approve this form at key development points.
 - Users are responsible for providing test data.
 - CDP performs unit and systems testing. Parallel testing is used for significant system changes. Test results are retained and used to assist future testing.
 - A migration utility is used to move changes into production. Administrators cross reference program changes to migration reports to the user request forms and verify date and time stamps to ensure only authorized changes are migrated to production. Any discrepancies are communicated to the Director.

- The Director of CDP reviews all migrations to production, daily.
- Utilities and compilers are limited to programmers in the development/test environment.
- System and program documentation is maintained for each application to assist users for maintenance of the systems.
- Emergency program database and production changes are made by the Manager of Applications using a special user ID when assuming the role of database administrator backup. These changes are handled the same as scheduled changes. The Director of CDP reviews this access monthly.
- Changes to system software follow vendor recommended installation procedures. All modifications are documented in the Change Management System section of the CDP Procedures.
- The Director is notified directly of problems with production programs and data files both by the operations staff and end users. Daily, processing problems are logged in the operator log.
- The computer room is locked and controlled with card key access. All access to the computer room is logged by the card key system. The manager of operations reviews a card key access report that is generated by the system each week and reports his findings to the Director of CDP. The Director of CDP approves all access.
- All visitors are required to sign in on the visitors log and obtain approval from the Manager of Operations to gain access to the computer room.
- The tapes and cartridges are catalogued in the tape library log and are kept in the computer room.
- Programmers are restricted from initiating online transactions via ID security and a customized security system.
- Requests for changes to system access are made in writing by filling out a request form. The form requires Manager of Systems approval. Requests for changes to access custom applications are made in writing using the user access request form. Both forms require Department head approval, and are kept on file within CDP.
- Passwords are assigned to individuals and are changed periodically. Password controls have been defined.
- After a number of failed attempts to access the system, the user ID is deactivated and requires action by the Manager of Systems to reactivate it.
- Periodically, CDP verifies with the department heads, in writing, the appropriateness of user access privileges. Changes are processed on the user access request form.
- Annually, the Manager of Systems reviews user access to verify that access granted is appropriate. The Manager of Systems reports the results to the Director of CDP.
- After each payroll period, the Manager of Applications reviews Human Resources personnel termination and leave date, and data regarding personnel who have changed units to evaluate and ensure appropriate access.

- Access violations are recorded in the system generated operations log and reported to the Manager of Systems for review. System security is controlled through RACF security software. The security environment is administered solely by the systems programming staff.
- Changes to RACF security access are made only by the systems staff, except for the ability of programmers to control access to their own files.
- Application passwords for end users may be changed by the operations staff upon receipt of a request via email from the OAPP Help Desk. The temporary password assigned by Operations is then changed by the user upon log-in.
- Shift supervisors compare the daily log to the scheduled production and the non-scheduled production to verify that only authorized production occurred. The Manager of Operations approves the daily log.
- Specific jobs are documented in the operators run schedule for each day's processing approved by the Manager of Operations.
- Any additions/deletions/modifications, including one-time production program execution, to the operator's run schedule are requested via a user request for services form and documented on the daily log.
- Application problems are identified by end users or programmers via the user request form.
- All computer hardware, protection systems, power systems, and environment control systems are maintained and inspected routinely. The Manager of Operations documents any issue with computer hardware in accordance with the Problem Management section of the CDP manual.
- A contingency plan for disaster recovery exists. Fire and emergency procedures are documented and communicated to operations.
- Daily files are backed up nightly and are secured and stored in a fireproof safe. Weekly and monthly backup tapes are rotated off-site. Weekly tapes are maintained off-site for six weeks, monthly tapes are maintained offsite for three months.
- System software recovery procedures exist and are tested periodically to determine recovery of data in the event of hardware/software malfunction.

Reporting

The reporting phase represents the culmination of the audit process. This phase will end with the delivery of the final report and communication of opportunities to improve the system of internal control. This phase is structured as follows;

- Exit conference
- Communication of opportunities to improve the system of internal control
- Preparation of draft report
- Preparation of final report

IDENTIFICATION OF CONCERNS OR PROBLEM AREAS ANTICIPATED

Based on our engagement team's vast experience and in-depth knowledge of governmental organizations, and after a detailed review of the request for proposal and scope of services to be provided, we do not currently anticipate any audit problems and are confident that the services requested by the New York State Assembly can be delivered in a timely fashion in accordance with the fee structure as outlined in our cost proposal which has been submitted separately.

As required by professional standards, we will ensure that the Assembly will be informed of the following:

- The Auditors' responsibility under auditing standards generally accepted in the United States of America
- The Auditors' responsibility under Government Auditing Standards
- Significant accounting policies
- Management judgments and accounting estimates
- Significant audit adjustments
- Other information in documents containing audited financial statements
- Disagreements with management
- Management consultation with other accountants
- Major issues discussed with management prior to retention
- Difficulties encountered in performing the audit

DELIVERABLES

Toski & Co., CPAs, P.C. has the resources available to meet the Assembly timelines as follows:

- Detailed audit plans and programs would be provided to the Assembly by September 6, 2013.
- The fieldwork for this engagement would be substantially completed by October 31, 2013.
- A draft of the audit report would be provided to the Assembly Internal Control Officer by November 15, 2013.
- The final report would be delivered to the Speaker of the New York State Assembly by December 13, 2013.

QUALITY ASSURANCE

Toski & Co., CPAs, P.C. maintains an internal Quality Control System, which is reviewed during our Peer Review every three years, that forbids all employees from disclosing to anyone outside of our firm any confidential client information obtained in the course of any engagement unless the disclosure is authorized by the client.

In addition, our Firm's Quality Control Document states the following:

“Any transaction, event, circumstance, or action that would impair independence or violate the firm’s relevant ethical requirements policy on an audit, attestation, review, compilation engagement, or other services subject to the standards of the AICPA Auditing Standards Board or the AICPA Accounting and Review Services Committee (as required under Rules 201 and 202) is prohibited.”

Engagement Performance and Documentation

It is the Firm’s policy that all engagements be properly planned, performed, supervised, reviewed, documented, and reported or communicated in accordance with the requirements of professional standards, regulatory and legal requirements, and the Firm. In this regard, the procedures listed below are followed by all personnel assigned to those engagements:

1. The Firm's engagement performance quality control steps are documented in the Firm's engagement performance bridging documents. The Firm maintains separate bridging documents for audit, attestation, and compilation and review services. The use of such bridging documents facilitates consistency in the quality of engagement performance and application of engagement procedures.
2. The responsibilities of the engagement team for implementing the Firm's Quality Control steps are indicated on the engagement performance bridging documents.
3. Certain steps in the Firm's system of engagement performance Quality Control steps are not applicable or are optional for some engagements. The engagement performance bridging documents indicate the applicability of each step to the particular type of engagement.
4. The Firm uses numerous checklists, work programs, report examples, and other practice aids to implement its engagement performance Quality Control steps. These practice aids are documented on the engagement performance bridging documents.
5. The Firm complies with time limits established by professional standards, and laws and regulations that address the assembly of final engagement files for specific types of engagements.
6. The Firm retains engagement documentation for a period of time sufficient to meet the needs of the Firm, professional standards, and laws and regulations. Any uncertainties regarding the retention of engagement documentation are addressed with the assistance of firm legal counsel and insurance carriers, as appropriate.
7. The Firm protects the confidentiality, custody, integrity, accessibility, and retrievability of engagement documentation through staff training regarding client confidentiality rules and adequate and appropriate controls over the custody, integrity, accessibility, and retrievability of the Firm's engagement documentation, including electronic information systems controls.

The Firm adopts and integrates within its quality control system the use of Practitioners Publishing Company’s (PPC) accounting and auditing manuals and practice aids as more fully described in the engagement performance bridging documents. The Firm’s Quality Control document, the PPC manuals, and any other practice aids used by the Firm are intended solely to assist us in achieving compliance with professional standards. Accordingly, nothing within the Firm’s Quality Control document should be construed as requiring a higher level of performance or documentation than the minimum specifically required by our Firm's Quality Control policies and procedures, nor to override the exercise of professional judgment.

Engagement Quality Control Review

It is the Firm's policy to evaluate all engagements against criteria established by the Firm to determine whether an engagement quality control review should be performed, and to perform an engagement quality control review for all engagements that meet these criteria. Engagement quality control reviews are completed before the report is released. The Firm ensures compliance with this procedure by implementing the following procedures:

1. The Firm establishes criteria for performance of an engagement quality control review (EQCR). In establishing such criteria the Firm considers:
 - a. The structure and nature of the Firm's practice.
 - b. The nature of the engagement, including whether it involves a matter of public interest.
 - c. Whether unusual circumstances or risk have been identified relating to the engagement, engagement service type, or industry.
 - d. Whether laws or regulations require an engagement quality control review to be performed.
2. The Firm establishes a different set of criteria for each major type of service provided (i.e., compilations, reviews, audits, and attestation engagements). All engagements are evaluated against the established criteria. An engagement quality control review is performed for all engagements that meet the established criteria. If no engagements meet the criteria established by the Firm for EQCR, no reviews are required to be performed.
3. The Firm may periodically make changes to the established criteria based on changes in the Firm's practice.
4. Based on the current composition of the Firm's accounting and auditing engagements, the Firm has concluded that engagement quality control review should be performed for audit engagements. Reviews and compilations are not required to have engagement quality control review performed.
5. Performing an engagement quality control review includes the following procedures:
 - a. An objective evaluation of significant judgments made and the conclusions reached in formulating the report.
 - b. Reviewing for appropriateness the resolution and conclusions reached regarding differences of opinion and matters requiring consultation.
 - c. Considering the evaluation of the Firm's and the engagement team's independence in relation to the specific engagement.
 - d. Reading the financial statements or other subject matter information and the report and considering whether the report is appropriate.
 - e. A review of selected engagement documentation relating to the significant judgments and the conclusions reached.
 - f. A discussion with the engagement shareholder about significant findings and issues.

- g. The EQCR may be conducted at various stages throughout the engagement to ensure that significant issues may be resolved to the reviewer's satisfaction before the report is released.
- h. The extent of the EQCR may depend upon, among other things, the complexity of the engagement and the risk that the report might not be appropriate in the circumstances.

FORM OF REPORT TO BE PROVIDED

Toski & Co., CPAs, P.C. will identify and test all of the significant areas of internal controls of the Assembly in accordance with Generally Accepted Government Auditing Standards (GAGAS). As part of our engagement we will issue a report on the Assembly's system of internal controls in effect during a 90-day period. The report will include an opening paragraph, report body, and any findings (if applicable). Please see Appendix E for a sample report our Firm anticipates using related to the engagement.

STAFF HOURS

Upon receiving notice of appointment as auditors, we will meet with representatives of the Assembly and establish a definite time program for the performance of our services. The time program will be established in such a way to ensure that work is efficient and structured in such a way as to avoid disrupting the day-to-day routine duties of the Assembly staff. The time program will follow the calendar of events as detailed in the request for proposal. A schedule of the projected hours by deliverable is detailed as follows. It is anticipated that the majority of services will be performed at the Assembly offices in Albany, New York (on-site).

<u>Deliverable</u>	<u>Hours</u>
Detailed audit plan	20
Fieldwork and meetings	500
Draft audit report	40
Final audit report	<u>15</u>
	<u>575</u>

USE OF SUBCONTRACTORS

Toski & Co., CPAs, P.C. currently anticipates performing all services under this proposal in-house. However, the firm is willing to work with a women-owned and/or minority-owned accounting firm selected by Toski & Co., CPAs, P.C. or the New York State Assembly. Upon request of the Assembly, our Firm would arrange a subcontracting agreement with the selected accounting firm and would utilize the subcontractor's qualified personnel as senior accountants on the engagement.

Dadia Valles Vendiola LLP, a certified Minority Owned Business Enterprise, has expressed a willingness to serve as a subcontractor on this engagement, if requested. The firm was originally organized in 1983 and has specialized in government audits or audits of government contracts, including government contract auditing services. The firm has provided government auditing services, government audits or audits of government contracts to the New York City Administration

for Children's Services, New York City Department of Youth and Community Development, Roosevelt Island Operating Corporation, New York Horse Breeding Corporation, New York City Health and Hospitals Corporation, New York State Department of Transportation, and New York City Economic Development Corporation. We have successfully worked with Dadia Valles Vendiola LLP on our Empire State Development and Lower Manhattan Development Corporation audit engagements.

Jan E. Nolis, CPA, a certified Woman Owned Business Enterprise, has also expressed a willingness to serve as a subcontractor on this engagement, if requested. Ms. Nolis received a Bachelor of Science degree in Accounting from the Rochester Institute of Technology in 1982. She was licensed in New York State as a Certified Public Accountant in 1986. She is a member of the American Institute of Certified Public Accountants and the New York State Society of Certified Public Accountants. Her Firm provides consulting services to small businesses; individual, corporate, partnership and estate tax preparation; payroll and sales tax preparation; financial statement preparation; and small business valuations. We have successfully worked with Jan E. Nolis, CPA on our Empire State Development and Lower Manhattan Development Corporation audit engagements.

INDEPENDENCE

Toski & Co., CPAs, P.C. is independent of the New York State Assembly as defined by generally accepted auditing standards and U.S. Government Accountability Office (GAO)'s Government Auditing Standards. Accordingly, no relationship exists between Toski & Co., CPAs, P.C. and the Assembly or any of its employees, Board members or with any person or agency that constitutes a conflict of interest with respect to the Assembly.

OTHER SIGNIFICANT INFORMATION

- Experience - Since Toski & Co., CPAs, P.C. "specializes" in providing audit and related services to governmental organizations, our field staff is experienced in providing such services.
- Technology - All of our field staff are equipped with laptop computers and have access to various software packages and databases (e.g. data extraction software, flowchart software, Microsoft Office, etc.) and other electronic means to ensure that the audit is performed in the most efficient manner.
- Equal Opportunity Policy - Toski & Co., CPAs, P.C. is an equal opportunity employer and as such possesses a firm commitment to affirmative action and to hiring only the best qualified candidates regardless of gender or ethnic origin. Toski & Co., CPAs, P.C. does not discriminate against any employee or applicant for employment because of race, creed, color, national origin, sex, age, disability or marital status.
- Continuing Education - With regard to continuing professional education, each of our staff members is required to complete an annual minimum of 40 hours of continuing education programs approved by the American Institute of Certified Public Accountants. Additionally, since we perform audits in accordance with Government Auditing Standards (over 330 each year), our staff members must complete at least 24 of the 80 hours (over a two-year period) of continuing education in subjects directly related to the government environment and government auditing.

New York State Assembly
June 6, 2013


We would consider it a distinct privilege to provide professional services as outlined in this letter or any additional services you may desire. Please contact us if there are any questions regarding this letter.

A copy of this letter is enclosed; if the terms of this proposal are satisfactory to you, please sign the copy and return it to me at your convenience.

ACCEPTED:

TOSKI & CO., CPAs, P.C.

NEW YORK STATE ASSEMBLY

By: 
Douglas E. Zimmerman, CPA
Managing Director

By: _____

Date: June 6, 2013

Date: _____

BACKGROUND AND QUALIFICATIONS
OF PERSONNEL

RONALD C. TOSKI, C.P.A.

Mr. Toski has over 42 years of public accounting experience. He currently functions as the founding director of the Firm and has responsibility for providing audit, accounting and consulting services for numerous governmental organizations. Prior to the formation of Toski & Co., CPAs, P.C., he was employed in the Buffalo office of KPMG, LLP for nine years.

Mr. Toski received a Bachelor of Science degree in Accounting from State University of New York at Buffalo in 1970. He was licensed in New York State as a Certified Public Accountant in 1973.

Mr. Toski is a member of the American Institute of Certified Public Accountants and the New York State Society of Certified Public Accountants.

DOUGLAS E. ZIMMERMAN, C.P.A.

Mr. Zimmerman has over 26 years of public accounting experience. He currently functions as the managing director in the Firm and has responsibility for providing audit, accounting and consulting services for numerous governmental organizations.

Mr. Zimmerman received a Bachelor of Science degree in Accounting from State University of New York College at Geneseo in 1986. He was licensed in New York State as a Certified Public Accountant in 1989.

Mr. Zimmerman is a member of the American Institute of Certified Public Accountants and the New York State Society of Certified Public Accountants.

JOHN S. RIZZO, C.P.A., C.B.A

Mr. Rizzo has over 33 years of accounting experience. He currently functions as a director in the Firm and has responsibility for providing audit, accounting and consulting services for numerous governmental organizations. He previously served as a senior manager in the Buffalo office of KPMG, LLP and as the Deputy Comptroller for the County of Erie.

Mr. Rizzo received a Bachelor of Science degree in Accounting from State University of New York at Buffalo in 1979. He was licensed in New York State as a Certified Public Accountant in 1985.

Mr. Rizzo is a member of the American Institute of Certified Public Accountants, the New York State Society of Certified Public Accountants and the Institute of Internal Auditors.

BRENT M. JENSEN, C.P.A.

Mr. Jensen has over six years of public accounting experience. He currently functions as a manager in the Firm and has responsibility for providing audit, accounting and consulting services for numerous governmental organizations.

Mr. Jensen received a Bachelor of Science degree in Accounting from State University of New York at Buffalo in 2006. He was licensed in New York State as a Certified Public Accountant in 2013.

Mr. Jensen is a member of the American Institute of Certified Public Accountants and the New York State Society of Certified Public Accountants.

ANTHONY C. PEZZINO

Mr. Pezzino has over seven years of public accounting experience. He currently functions as a supervisor in the Firm and has responsibility for providing audit, accounting, and consulting services for numerous governmental organizations.

Mr. Pezzino received a Bachelor of Science degree from D'Youville College in 2005.

BRIAN P. MAJCHROWICZ

Mr. Majchrowicz has over 11 years of public accounting experience. He currently functions as a senior accountant in the firm and has responsibility for providing auditing, accounting and consulting services for numerous governmental organizations.

Mr. Majchrowicz received a Bachelor of Science degree in Accounting from State University of New York at Buffalo in 2001.

**Office of the Professions****Verification Searches**

The information furnished at this web site is from the Office of Professions' official database and is updated daily, Monday through Friday. The Office of Professions considers this information to be a secure, primary source for license verification.

Business Entity Information *

06/20/2013

Name : TOSKI & CO CPAS PC
Street Address :
300 ESSJAY ROAD
SUITE 115
WILLIAMSVILLE, NY 142210000

Business Entity : Professional Service Corporation
PSC # : 096029
Initial Filing Date : 12/28/11
Current through : 11/30/14

Officers, Directors, Shareholders : Click on license number link to the left of professional's name for detailed information.

07 031764 TOSKI RONALD CHARLES -
07 060798 ZIMMERMAN DOUGLAS EDWARD -

* Use of this online verification service signifies that you have read and agree to the [terms and conditions of use](#). See [HELP glossary](#) for further explanations of terms used on this page.

- Use your browser's back key to return to establishment list.
- You may [search](#) to see if there has been recent disciplinary action against this registered establishment.



**Office of the Professions****Verification Searches**

The information furnished at this web site is from the Office of Professions' official database and is updated daily, Monday through Friday. The Office of Professions considers this information to be a secure, primary source for license verification.

License Information *

06/20/2013

Name : ZIMMERMAN DOUGLAS EDWARD**Address :** LANCASTER NY**Profession :** CERTIFIED PUBLIC ACCOUNTANCY**License No:** 060798**Date of Licensure :** 03/29/89**Additional Qualification :** Not applicable in this profession**Status :** REGISTERED**Registered through last day of :** 08/14

* Use of this online verification service signifies that you have read and agree to the [terms and conditions of use](#). See [HELP glossary](#) for further explanations of terms used on this page.

- Use your browser's back key to return to licensee list.
- You may [search](#) to see if there has been recent disciplinary action against this licensee.
- Note: The Board of Regents does not discipline *physicians (medicine)*, *physician assistants*, or *specialist assistants*. The status of individuals in these professions may be impacted by information provided by the NYS Department of Health. To search for the latest discipline actions against individuals in these professions, please check the New York State Department of Health's [Office of Professional Medical Conduct](#) homepage.



PARTIAL LISTING OF GOVERNMENTAL
ORGANIZATIONS WHICH ARE OUR CLIENTS

Albion Central School District
*Amherst Industrial Development Agency
*Amsterdam Housing Authority
Athens Area School District
Avon Central School District
Barnard Fire District
*Berkshire Union Free School District
Blind Brook-Rye Union Free School District
Bloomfield Central School District
Brighton Central School District
Brighton Fire District
Broome County Tobacco Asset Securitization Corporation
Capital District Transportation Authority
Cayuga County Health Insurance Consortium
Cayuga Tobacco Asset Securitization Corporation
Central Business Improvement District, Inc.
*Cheektowaga Economic Development Corporation
*Chemung County Industrial Development Agency
Chemung Fire District No. 1
Chemung Tobacco Asset Securitization Corporation
Churchville-Chili Central School District
City of Buffalo Police Department
*City of Canandaigua
*City of Dunkirk Housing Authority
*City of Johnstown
*City of Oneonta Housing Authority
City University of New York (CUNY)
*Cortland Housing Authority
*County of Allegany
*County of Chemung
*County of Delaware
*County of Lewis
*County of Madison
*County of Montgomery

* Audit conducted in compliance with the provisions of Office of Management and Budget (OMB) Circular A-133;
Audits of States, Local Governments and Non-Profit Organizations.

PARTIAL LISTING OF GOVERNMENTAL
ORGANIZATIONS WHICH ARE OUR CLIENTS

*County of Niagara

*County of Orleans

*County of Putnam

*County of Saratoga

*County of Sullivan

*County of Ulster

Deferred Compensation Plan for the Employees of Broome County

Deferred Compensation Plan for the Employees of Delaware County

Deferred Compensation Plan for the Employees of Erie County

Deferred Compensation Plan for the Employees of Lewis County

Deferred Compensation Plan for the Employees of the Islip Housing Authority

Deferred Compensation Plan for the Employees of the Islip Resource Recovery Agency

Deferred Compensation Plan for the Employees of Ontario County

Deferred Compensation Plan for the Employees of the Town of Bethlehem

Deferred Compensation Plan for the Employees of the Town of Huntington

Deferred Compensation Plan for the Employees of the Town of Islip

Deferred Compensation Plan for the Employees of the Town of Islip Community Development
Agency

Dundee Central School District

*East Hampton Union Free School District

East Irondequoit Central School District

East Rochester Central School District

*Eden Central School

Elba Central School District

Ellwood Fire District No. 1

Elmira City School District

*Elmira Housing Authority

*Empire State Development Corporation

*Erie Canal Harbor Development Corporation

Erie County Soil and Water Conservation District

*Evans-Brant Central School District

Fairport Central School District

*Finger Lakes Community College

Fishers Fire District

* Audit conducted in compliance with the provisions of Office of Management and Budget (OMB) Circular A-133;
Audits of States, Local Governments and Non-Profit Organizations.

PARTIAL LISTING OF GOVERNMENTAL
ORGANIZATIONS WHICH ARE OUR CLIENTS

Fulton County Public Health Department
Fulton County Residential Health Care Facility
Gananda Central School District
Genesee Tobacco Asset Securitization Corporation
*Geneva Housing Authority
Geneva City School District
Greece Central School District
Hammondsport Fire District
*Harlem Community Development Corporation
*Harriman Research and Technology Development
Henrietta Fire District
Honeoye Central School District
Honeoye Falls-Lima Central School District
*Hudson River Park Trust
*Indian River Central School District
*Ithaca Housing Authority
*Kenmore Housing Authority
Lake View Fire District
Lakeshore Fire District
Leroy Fire Department
*Lockport Municipal Housing Authority
*Lower Manhattan Development Corporation
Manchester-Shortsville School District
Marion Central School District
*Middletown City School District
*Monroe County Airport Authority
*Moynihan Station Development Corporation
Naples Central School District
Nassau County Office of Housing and Internal Affairs
*Newark Housing Authority
New York City Department of Juvenile Justice
New York City Tax Lien Trusts (four trusts)
*New York Convention Center Development Corporation
*New York Empowerment Zone Corporation

* Audit conducted in compliance with the provisions of Office of Management and Budget (OMB) Circular A-133;
Audits of States, Local Governments and Non-Profit Organizations.

PARTIAL LISTING OF GOVERNMENTAL
ORGANIZATIONS WHICH ARE OUR CLIENTS

- *New York Job Development Authority
- *New York Liberty Development Corporation
 - New York Local Government Assistance Corporation
 - New York State Assembly
 - New York State Affordable Housing Corporation
 - New York State Bridge Authority
 - New York State Office of Child and Family Services
 - New York State Department of Health
 - New York State Department of Transportation
- *New York State Division of the Budget
 - New York State Executive Chamber
 - New York State Homeless Housing Assistance Corporation
- *New York State Housing Trust Fund Corporation
 - New York State Insurance Fund
 - New York State Office for People With Developmental Disabilities
 - New York State Office of Alcoholism and Substance Abuse Services
 - New York State Office of the Attorney General
 - New York State Office of the State Comptroller
 - New York State Office of the Medicaid Inspector General
 - New York State Office of General Services
 - New York State Office of Temporary Disability Assistance
 - New York State Senate
 - New York State Thoroughbred Breeding and Development Fund
- *New York State Thruway Authority
 - New York State Unified Court System
- *New York State Urban Development Corporation
 - Niagara County Asset Forfeiture Accounts
- *Niagara Falls Housing Authority
 - Niagara Falls Water Board
- *Niagara Frontier Transportation Authority
 - Niagara Wheatfield Central School District
- *Ogdensburg Bridge and Port Authority
 - Ontario Soil and Water Conservation District
- *Orange-Ulster BOCES

* Audit conducted in compliance with the provisions of Office of Management and Budget (OMB) Circular A-133;
Audits of States, Local Governments and Non-Profit Organizations.

PARTIAL LISTING OF GOVERNMENTAL
ORGANIZATIONS WHICH ARE OUR CLIENTS

- *Orleans County Industrial Development Agency
- Palmyra-Macedon Central School District
- Penfield Central School District
- Phelps-Clifton Springs School District
- Pine Hill Fire District No. 5
- Pittsford Central School District
- Putnam Tobacco Asset Securitization Corporation
- *Queens West Development Corporation
- Ridge Culver Fire District
- *Roosevelt Island Operating Corporation
- Royalton-Hartland Central School District
- Rush Henrietta Central School District
- *Sachem Central School District
- *Schenectady Municipal Housing Authority
- *Seneca Nation Housing Authority
- Small Business Technology Investment Fund
- South Wales Fire District No. 1
- Southern Tioga School District
- Starpoint Central School District
- State University of New York at Stony Brook Dental School
- *Steuben County Economic Development Corporation
- *Steuben County Industrial Development Agency
- Stony Brook University Hospital
- *Three Village Central School District
- Tioga County Soil and Water Conservation District
- Towanda Area School District
- Town of Avon
- Town of Boston
- Town of Catlin
- Town of Cazenovia
- Town of Dunkirk
- Town of East Greenbush
- Town of Elmira Fire District No. 1
- Town of Erwin

* Audit conducted in compliance with the provisions of Office of Management and Budget (OMB) Circular A-133;
Audits of States, Local Governments and Non-Profit Organizations.

PARTIAL LISTING OF GOVERNMENTAL
ORGANIZATIONS WHICH ARE OUR CLIENTS

- *Town of Erwin Community Development Agency
- *Town of Erwin Industrial Development Agency
 - Town of Gates
 - Town of Hannibal Water District
- *Town of Islip Community Development Agency
 - Town of Islip Foreign Trade Zone Authority
 - Town of Islip Resource Recovery Agency
- *Town of Mount Pleasant
 - Town of North Hempstead Community Development Agency
 - Town of Orleans
 - Town of Ulster
 - Town of Warwick
 - Trust for Cultural Resources of the City of New York
- *Vernon-Verona-Sherrill Central School District
 - Victor Central School District
 - Village of Ballston Spa
 - Village of Castile
 - Village of Clayton
- *Village of Delhi
 - Village of Morrisville
 - Village of Oakfield
- *Ulster County Community College
 - Ulster County Resource Recovery Agency
 - Ulster Tobacco Securitization Corporation
- *Warren County Local Development Corporation
- *Warwick Valley Central School District
 - Washingtonville Central School District
- *Watertown Housing Authority
 - Waverly/Barton Fire District
 - Wayne Central School District
 - Wayne County Civic Facility Development Corporation
- *Wayne County Economic Development, Inc.
- *Wayne County Industrial Development Agency, Inc.
- *Wayne Industrial Sustainability Development Corporation

* Audit conducted in compliance with the provisions of Office of Management and Budget (OMB) Circular A-133;
Audits of States, Local Governments and Non-Profit Organizations.

PARTIAL LISTING OF GOVERNMENTAL
ORGANIZATIONS WHICH ARE OUR CLIENTS

Webster Central School District
West Irondequoit Central School District
Wheatland-Chili Central School District
Williamson Central School District
Williamsville Central School District
Wyoming Tobacco Asset Securitization Corporation

HEINOLD - BANWART, LTD.
Certified Public Accountants



Riverfront Office Center 2400 N. Main Street East Peoria, IL 61611-1795 Tel 309.694.4251 Fax 309.694.4202

System Review Report

January 27, 2010

To the Shareholders of
Toski, Schaefer & Co., P.C.
and the Peer Review Committee of the New York State Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Toski, Schaefer & Co., P.C. (the firm) in effect for the year ended August 31, 2009. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

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

In our opinion, the system of quality control for the accounting and auditing practice of Toski, Schaefer & Co., P.C., in effect for the year ended August 31, 2009, 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*. Toski, Schaefer & Co., P.C. has received a peer review rating of *pass*.

Heinold - Banwart, L.A.

PROCUREMENT LOBBYING VENDOR DISCLOSURE

Compliance with New York State Finance Law §139-j and §139-k require disclosures of past findings of non-responsibility, affirmation of compliance with the law, and certification that all information provided is complete, true and accurate.

The NYS Assembly reserves the right to terminate this contract if it is found that the certification provided by the offerer/bidder in accordance with NYS Finance Law §139-k was intentionally false or intentionally incomplete. Upon such finding, the NYS Assembly may exercise its termination right by providing written notification to the contractor.

Vendor Disclosure, Affirmation, and Certification:

List and fully explain any findings of non-responsibility within the past four(4) years by any governmental entity, including but not limited to (i) impermissible contacts or other violations of State Finance Law sections 139-j and 139-k and/or the (ii) intentional provision of false or incomplete information to a governmental entity.

None

Bidders affirm and agree to comply with State Finance Law sections 139-j and 139-k and certify that all information provided to the Assembly is complete, true and accurate.


Signature

Managing Director

Title

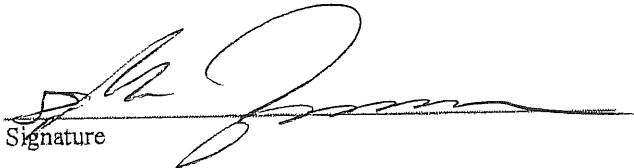
June 6, 2013

Date

IRAN DIVESTMENT ACT

By submitting a bid in response to this solicitation or by assuming the responsibility of a Contract awarded hereunder, Bidder/Contractor (or any assignee) certifies that it is not on the "Entities Determined To Be Non-Responsive Bidders/Offerers Pursuant to The New York State Iran Divestment Act of 2012" list ("Prohibited Entities List") posted on the OGS website at: <http://www.ogs.ny.gov/about/regs/docs/ListofEntities.pdf> and further certifies that it will not utilize on such Contract any subcontractor that is identified on the Prohibited Entities List. Additionally, Bidder/Contractor is advised that should it seek to renew or extend a Contract awarded in response to the solicitation, it must provide the same certification at the time the Contract is renewed or extended.

During the term of the Contract, should the New York State Assembly receive information that a person (as defined by State Finance Law §165-a) is in violation of the above-referenced certifications, the New York State Assembly will review such information and offer the person an opportunity to respond. If the person fails to demonstrate that it has ceased its engagement in the investment activity which is in violation of the Act within 90 days after the determination of such violation, then the New York State Assembly shall take such action as may be appropriate and provided for by law, rule, or contract, including, but not limited to, seeking compliance, recovering damages, or declaring the Contractor in default.


Signature

June 6, 2013

Date



New York State Department of Taxation and Finance

Contractor Certification(Pursuant to Section 5-a of the Tax Law, as amended,
effective April 26, 2006)Appendix D, Cont.
ST-220-TD
(12/11)For information, consult Publication 223, *Questions and Answers Concerning Tax Law Section 5-a* (see *Need help?* below).

Contractor name Toski & Co., CPAs, P.C.				
Contractor's principal place of business 300 Essjay Road, Suite 115		City Williamsville	State New York	ZIP code 14221
Contractor's mailing address (if different than above)				
Contractor's federal employer identification number (EIN) 16-1170608		Contractor's sales tax ID number (if different from contractor's EIN)		Contractor's telephone number (716) 634-0700
Covered agency or state agency NYS Assembly	Contract number or description Internal Control Audit		Estimated contract value over the full term of contract (but not including renewals) \$	
Covered agency address One Enterprise Drive, Room 205, Albany, New York 12248			Covered agency telephone number (518) 455-5630	

General information

Section 5-a of the Tax Law, as amended, effective April 26, 2006, requires certain contractors awarded certain state contracts valued at more than \$100,000 to certify to the Tax Department that they are registered to collect New York State and local sales and compensating use taxes, if they made sales delivered by any means to locations within New York State of tangible personal property or taxable services having a cumulative value in excess of \$300,000, measured over a specified period. In addition, contractors must certify to the Tax Department that each affiliate and subcontractor exceeding such sales threshold during a specified period is registered to collect New York State and local sales and compensating use taxes. Contractors must also file a Form ST-220-CA, certifying to the procuring state entity that they filed Form ST-220-TD with the Tax Department and that the information contained on Form ST-220-TD is correct and complete as of the date they file Form ST-220-CA.

All sections must be completed including all fields on the top of this page, all sections on page 2, Schedule A on page 3, if applicable, and Individual, Corporation, Partnership, or LLC Acknowledgement on page 4. If you do not complete these areas, the form will be returned to you for completion.

For more detailed information regarding this form and section 5-a of the Tax Law, see Publication 223, *Questions and Answers Concerning Tax Law Section 5-a*, (as amended, effective April 26, 2006). See *Need help?* for more information on how to obtain this publication.

Note: Form ST-220-TD must be signed by a person authorized to make the certification on behalf of the contractor, and the acknowledgement on page 4 of this form must be completed before a notary public.

Mail completed form to:

NYS TAX DEPARTMENT
DATA ENTRY SECTION
W A HARRIMAN CAMPUS
ALBANY NY 12227

Privacy notification

The Commissioner of Taxation and Finance may collect and maintain personal information pursuant to the New York State Tax Law, including but not limited to, sections 5-a, 171, 171-a, 287, 308, 429, 475, 505, 697, 1096, 1142, and 1415 of that Law; and may require disclosure of social security numbers pursuant to 42 USC 405(c)(2)(C)(i).

This information will be used to determine and administer tax liabilities and, when authorized by law, for certain tax offset and exchange of tax information programs as well as for any other lawful purpose.

Information concerning quarterly wages paid to employees is provided to certain state agencies for purposes of fraud prevention, support enforcement, evaluation of the effectiveness of certain employment and training programs and other purposes authorized by law.

Failure to provide the required information may subject you to civil or criminal penalties, or both, under the Tax Law.

This information is maintained by the Manager of Document Management, NYS Tax Department, W A Harriman Campus, Albany NY 12227; telephone (518) 457-5181.

Need help?Visit our Web site at www.tax.ny.gov

- get information and manage your taxes online
- check for new online services and features

**Telephone assistance**

Sales Tax Information Center: (518) 485-2889

To order forms and publications: (518) 457-5431

Text Telephone (TTY) Hotline (for persons with hearing and speech disabilities using a TTY): (518) 485-5082



Persons with disabilities: In compliance with the Americans with Disabilities Act, we will ensure that our lobbies, offices, meeting rooms, and other facilities are accessible to persons with disabilities. If you have questions about special accommodations for persons with disabilities, call the information center.

Schedule A — Listing of each entity (contractor, affiliate, or subcontractor) exceeding \$300,000 cumulative sales threshold

List the contractor, or affiliate, or subcontractor in Schedule A only if such entity exceeded the \$300,000 cumulative sales threshold during the specified sales tax quarters. See directions below. For more information, see Publication 223.

[illegible]

Column A – Enter **C** in column A if the contractor; **A** if an affiliate of the contractor; or **S** if a subcontractor.

Column B – Name - If the entity is a corporation or limited liability company, enter the exact legal name as registered with the NY Department of State, if applicable. If the entity is a partnership or sole proprietor, enter the name of the partnership and each partner's given name, or the given name(s) of the owner(s), as applicable. If the entity has a different DBA (doing business as) name, enter that name as well.

Column C – Address - Enter the street address of the entity's principal place of business. Do not enter a PO box.

Column D – ID number - Enter the federal employer identification number (EIN) assigned to the entity. If the entity is an individual, enter the social security number of that person.

Column E – Sales tax ID number - Enter only if different from federal EIN in column D.

Column F – If applicable, enter an X if the entity has submitted Form DTF-17 to the Tax Department but has not received its certificate of authority as of the date of this certification.

of the above-named contractor, and that I am authorized to make this certification on behalf of such contractor.

Section 1 — Contractor registration status

- Section 2 — Affiliate registration status

- ### Section 3 — Subcontractor registration status

- Sworn to this 6th day of June, 20 13

Managing Director
(title)

Individual, Corporation, Partnership, or LLC Acknowledgment

STATE OF New York }

SS.:

COUNTY OF Erie }

On the 6th day of June in the year 2013, before me personally appeared Douglas E. Zimmerman, CPA, known to me to be the person who executed the foregoing instrument, who, being duly sworn by me did depose and say that he resides at 33 Running Brook Drive,

Town of Lancaster,

County of Erie,

State of New York; and further that:

[Mark an X in the appropriate box and complete the accompanying statement.]

☐ (If an individual): he executed the foregoing instrument in his/her name and on his/her own behalf.

☒ (If a corporation): he is the Managing Director of Toski & Co., CPAs, P.C., the corporation described in said instrument; that, by authority of the Board of Directors of said corporation, he is authorized to execute the foregoing instrument on behalf of the corporation for purposes set forth therein; and that, pursuant to that authority, he executed the foregoing instrument in the name of and on behalf of said corporation as the act and deed of said corporation.

☐ (If a partnership): he is a _____ of _____, the partnership described in said instrument; that, by the terms of said partnership, he is authorized to execute the foregoing instrument on behalf of the partnership for purposes set forth therein; and that, pursuant to that authority, he executed the foregoing instrument in the name of and on behalf of said partnership as the act and deed of said partnership.

☐ (If a limited liability company): he is a duly authorized member of _____ LLC, the limited liability company described in said instrument; that he is authorized to execute the foregoing instrument on behalf of the limited liability company for purposes set forth therein; and that, pursuant to that authority, he executed the foregoing instrument in the name of and on behalf of said limited liability company as the act and deed of said limited liability company.

Deborah A Schall
Notary Public

Registration No. 01SC5034524

DEBORAH A. SCHALL
Notary Public, State of New York
Qualified in Erie County
My Commission Expires November 7, 2014



New York State Department of Taxation and Finance

Contractor Certification to Covered Agency

(Pursuant to Section 5-a of the Tax Law, as amended, effective April 26, 2006)

Appendix D, Cont.
ST-220-CA
(12/11)For information, consult Publication 223, *Questions and Answers Concerning Tax Law Section 5-a* (see *Need Help?* on back).

Contractor name Toski & Co., CPAs, P.C.				For covered agency use only Contract number or description	
Contractor's principal place of business 300 Essjay Road, Suite 115		City Williamsville	State New York	ZIP code 14221	
Contractor's mailing address (if different than above)				Estimated contract value over the full term of contract (but not including renewals) \$	
Contractor's federal employer identification number (EIN) 16-1170608		Contractor's sales tax ID number (if different from contractor's EIN)			
Contractor's telephone number (716) 634-0700		Covered agency name New York State Assembly			
Covered agency address One Enterprise Drive, Room 205, Albany, New York 12248				Covered agency telephone number (518) 455-5630	

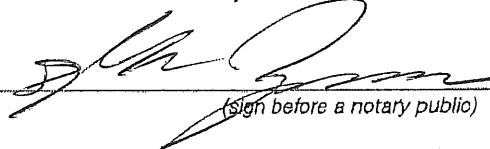
I, Douglas E. Zimmerman, CPA, hereby affirm, under penalty of perjury, that I am Managing Director
(name) (title)

of the above-named contractor, that I am authorized to make this certification on behalf of such contractor, and I further certify that:

(Mark an X in only one box)

☒ The contractor has filed Form ST-220-TD with the Department of Taxation and Finance in connection with this contract and, to the best of contractor's knowledge, the information provided on the Form ST-220-TD, is correct and complete.☐ The contractor has previously filed Form ST-220-TD with the Tax Department in connection with _____
(insert contract number or description)

and, to the best of the contractor's knowledge, the information provided on that previously filed Form ST-220-TD, is correct and complete as of the current date, and thus the contractor is not required to file a new Form ST-220-TD at this time.

Sworn to this 6th day of June, 20 13
(sign before a notary public)Managing Director
(title)**Instructions****General information**

Tax Law section 5-a was amended, effective April 26, 2006. On or after that date, in all cases where a contract is subject to Tax Law section 5-a, a contractor must file (1) Form ST-220-CA, *Contractor Certification to Covered Agency*, with a covered agency, and (2) Form ST-220-TD with the Tax Department before a contract may take effect. The circumstances when a contract is subject to section 5-a are listed in Publication 223, Q&A 3. See *Need help?* for more information on how to obtain this publication. In addition, a contractor must file a new Form ST-220-CA with a covered agency before an existing contract with such agency may be renewed.

Note: Form ST-220-CA must be signed by a person authorized to make the certification on behalf of the contractor, and the acknowledgement on page 2 of this form must be completed before a notary public.

When to complete this form

As set forth in Publication 223, a contract is subject to section 5-a, and you must make the required certification(s), if:

- The procuring entity is a *covered agency* within the meaning of the statute (see Publication 223, Q&A 5);
- The contractor is a *contractor* within the meaning of the statute (see Publication 223, Q&A 6); and
- The contract is a *contract* within the meaning of the statute. This is the case when it (a) has a value in excess of \$100,000 and (b) is a contract for *commodities* or *services*, as such terms are defined for purposes of the statute (see Publication 223, Q&A 8 and 9).

Furthermore, the procuring entity must have begun the solicitation to purchase on or after January 1, 2005, and the resulting contract must have been awarded, amended, extended, renewed, or assigned on or after April 26, 2006 (the effective date of the section 5-a amendments).

Individual, Corporation, Partnership, or LLC Acknowledgment

STATE OF New York }

SS.:

COUNTY OF Erie }

On the 6th day of June in the year 2013, before me personally appeared Douglas E. Zimmerman, CPA,

known to me to be the person who executed the foregoing instrument, who, being duly sworn by me did depose and say that

he resides at 33 Running Brook DriveTown of LancasterCounty of ErieState of New York; and further that:

[Mark an X in the appropriate box and complete the accompanying statement.]

☐ (If an individual): he executed the foregoing instrument in his/her name and on his/her own behalf.☒ (If a corporation): he is the Managing Director

of Toski & Co., CPAs, P.C., the corporation described in said instrument; that, by authority of the Board of Directors of said corporation, he is authorized to execute the foregoing instrument on behalf of the corporation for purposes set forth therein; and that, pursuant to that authority, he executed the foregoing instrument in the name of and on behalf of said corporation as the act and deed of said corporation.

☐ (If a partnership): he is a _____ of _____, the partnership described in said instrument; that, by the terms of said partnership, he is authorized to execute the foregoing instrument on behalf of the partnership for purposes set forth therein; and that, pursuant to that authority, he executed the foregoing instrument in the name of and on behalf of said partnership as the act and deed of said partnership.

☐ (If a limited liability company): he is a duly authorized member of _____, LLC, the limited liability company described in said instrument; that he is authorized to execute the foregoing instrument on behalf of the limited liability company for purposes set forth therein; and that, pursuant to that authority, he executed the foregoing instrument in the name of and on behalf of said limited liability company as the act and deed of said limited liability company.

Notary Public

DEBORAH A. SCHALL
Notary Public, State of New York
Qualified in Erie County
My Commission Expires November 7, 2014

Registration No. 01SC5034524

Privacy notification

The Commissioner of Taxation and Finance may collect and maintain personal information pursuant to the New York State Tax Law, including but not limited to, sections 5-a, 171, 171-a, 287, 308, 429, 475, 505, 697, 1096, 1142, and 1415 of that Law; and may require disclosure of social security numbers pursuant to 42 USC 405(c)(2)(C)(i).

This information will be used to determine and administer tax liabilities and, when authorized by law, for certain tax offset and exchange of tax information programs as well as for any other lawful purpose.

Information concerning quarterly wages paid to employees is provided to certain state agencies for purposes of fraud prevention, support enforcement, evaluation of the effectiveness of certain employment and training programs and other purposes authorized by law.

Failure to provide the required information may subject you to civil or criminal penalties, or both, under the Tax Law.

This information is maintained by the Manager of Document Management, NYS Tax Department, W A Harriman Campus, Albany NY 12227; telephone (518) 457-5181.

Need help?

Visit our Web site at www.tax.ny.gov

- get information and manage your taxes online
- check for new online services and features



Telephone assistance

Sales Tax Information Center: (518) 485-2889

To order forms and publications: (518) 457-5431

Text Telephone (TTY) Hotline (for persons with hearing and speech disabilities using a TTY): (518) 485-5082



Persons with disabilities: In compliance with the Americans with Disabilities Act, we will ensure that our lobbies, offices, meeting rooms, and other facilities are accessible to persons with disabilities. If you have questions about special accommodations for persons with disabilities, call the information center.

NEW YORK STATE
VENDOR RESPONSIBILITY QUESTIONNAIRE
FOR-PROFIT BUSINESS ENTITY

I. LEGAL BUSINESS ENTITY INFORMATION			
Legal Business Entity Name*		EIN (Enter 9 digits, without hyphen)	
Toski & Co., CPAs, P.C.		16-1170608	
Address of the Principal Place of Business (street, city, state, zip code)		New York State Vendor Identification Number	
300 Essjay Road, Suite 115		1000015494	
Williamsville, New York 14221		Telephone	Fax
		(716) 634-0700	(716) 634-0764
Email		Website	
toski@toskicpa.com		www.toskicpa.com	
Additional Legal Business Entity Identities: If applicable, list any other DBA, Trade Name, Former Name, Other Identity, or EIN used in the last five (5) years and the status (active or inactive).			
Type	Name	EIN	Status
Former Name	Toski, Schaefer & Co., P.C.	16-1170608	Name change
1.0 Legal Business Entity Type – Check appropriate box and provide additional information:			
<input checked="" type="checkbox"/> Corporation (including PC)		Date of Incorporation 10/31/1981	
<input type="checkbox"/> Limited Liability Company (LLC or PLLC)		Date of Organization	
<input type="checkbox"/> Partnership (including LLP, LP or General)		Date of Registration or Establishment	
<input type="checkbox"/> Sole Proprietor		How many years in business?	
<input type="checkbox"/> Other		Date Established	
If Other, explain:			
1.1 Was the Legal Business Entity formed or incorporated in New York State?			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If 'No,' indicate jurisdiction where Legal Business Entity was formed or incorporated and attach a Certificate of Good Standing from the applicable jurisdiction or provide an explanation if a Certificate of Good Standing is not available.			
<input type="checkbox"/> United States State _____			
<input type="checkbox"/> Other Country _____			
Explain, if not available:			
1.2 Is the Legal Business Entity publicly traded?			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If "Yes," provide CIK Code or Ticker Symbol			
1.3 Does the Legal Business Entity have a DUNS Number?			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If "Yes," Enter DUNS Number 38628780			

*All underlined terms are defined in the "New York State Vendor Responsibility Definitions List," which can be found at www.osc.state.ny.us/vendrep/documents/questionnaire/definitions.pdf.

NEW YORK STATE
VENDOR RESPONSIBILITY QUESTIONNAIRE
FOR-PROFIT BUSINESS ENTITY

I. LEGAL BUSINESS ENTITY INFORMATION

- 1.4 If the Legal Business Entity's Principal Place of Business is not in New York State, does the Legal Business Entity maintain an office in New York State?
(Select "N/A," if Principal Place of Business is in New York State.)
- ☐ Yes ☐ No
☒ N/A

If "Yes," provide the address and telephone number for one office located in New York State.

- 1.5 Is the Legal Business Entity a New York State certified Minority-Owned Business Enterprise (MBE), Women-Owned Business Enterprise (WBE), New York State Small Business (SB) or a federally certified Disadvantaged Business Enterprise (DBE)?

☐ Yes ☒ No

If "Yes," check all that apply:

- ☐ New York State certified Minority-Owned Business Enterprise (MBE)
☐ New York State certified Women-Owned Business Enterprise (WBE)
☐ New York State Small Business (SB)
☐ Federally certified Disadvantaged Business Enterprise (DBE)

- 1.6 Identify Officials and Principal Owners, if applicable. For each person, include name, title and percentage of ownership. Attach additional pages if necessary. If applicable, reference to relevant SEC filing(s) containing the required information is optional.

Name	Title	Percentage Ownership (Enter 0% if not applicable)
Douglas E. Zimmerman, CPA	Managing Director	100%

NEW YORK STATE
VENDOR RESPONSIBILITY QUESTIONNAIRE
FOR-PROFIT BUSINESS ENTITY

II. REPORTING ENTITY INFORMATION

2.0 The Reporting Entity for this questionnaire is:

Note: Select only one.

☒ Legal Business Entity

Note: If selecting this option, "Reporting Entity" refers to the entire Legal Business Entity for the remainder of the questionnaire. (SKIP THE REMAINDER OF SECTION II AND PROCEED WITH SECTION III.)

☐ Organizational Unit within and operating under the authority of the Legal Business Entity

SEE DEFINITIONS OF "REPORTING ENTITY" AND "ORGANIZATIONAL UNIT" FOR ADDITIONAL INFORMATION ON CRITERIA TO QUALIFY FOR THIS SELECTION.

Note: If selecting this option, "Reporting Entity" refers to the Organizational Unit within the Legal Business Entity for the remainder of the questionnaire. (COMPLETE THE REMAINDER OF SECTION II AND ALL REMAINING SECTIONS OF THIS QUESTIONNAIRE.)

IDENTIFYING INFORMATION

a) Reporting Entity Name

Address of the Primary Place of Business (street, city, state, zip code)

Telephone

ext.

b) Describe the relationship of the Reporting Entity to the Legal Business Entity

c) Attach an organizational chart

d) Does the Reporting Entity have a DUNS Number?

☐ Yes ☐ No

If "Yes," enter DUNS Number

e) Identify the designated manager(s) responsible for the business of the Reporting Entity.
For each person, include name and title. Attach additional pages if necessary.

Name	Title

NEW YORK STATE
VENDOR RESPONSIBILITY QUESTIONNAIRE
FOR-PROFIT BUSINESS ENTITY

INSTRUCTIONS FOR SECTIONS III THROUGH VII

For each "Yes," provide an explanation of the issue(s), relevant dates, the government entity involved, any remedial or corrective action(s) taken and the current status of the issue(s). For each "Other," provide an explanation which provides the basis for not definitively responding "Yes" or "No." Provide the explanation at the end of the section or attach additional sheets with numbered responses, including the Reporting Entity name at the top of any attached pages.

III. LEADERSHIP INTEGRITY	
<i>Within the past five (5) years, has any current or former reporting entity official or any individual currently or formerly having the authority to sign, execute or approve bids, proposals, contracts or supporting documentation on behalf of the reporting entity with any government entity been:</i>	
3.0 <u>Sanctioned</u> relative to any business or professional permit and/or license?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Other
3.1 <u>Suspended, debarred, or disqualified</u> from any <u>government contracting process</u> ?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Other
3.2 The subject of an <u>investigation</u> , whether open or closed, by any <u>government entity</u> for a civil or criminal violation for any business-related conduct?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Other
3.3 Charged with a misdemeanor or felony, indicted, granted immunity, convicted of a crime or subject to a <u>judgment</u> for: a) Any business-related activity; or b) Any crime, whether or not business-related, the underlying conduct of which was related to truthfulness?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Other
For each "Yes" or "Other" explain:	

IV. INTEGRITY – CONTRACT BIDDING	
<i>Within the past five (5) years, has the reporting entity:</i>	
4.0 Been <u>suspended or debarred</u> from any <u>government contracting process</u> or been <u>disqualified</u> on any government procurement, permit, license, concession, franchise or lease, including, but not limited to, <u>debarment</u> for a violation of New York State Workers' Compensation or Prevailing Wage laws or New York State Procurement Lobbying Law?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
4.1 Been subject to a denial or revocation of a government prequalification?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
4.2 Been denied a contract award or had a bid rejected based upon a <u>non-responsibility finding</u> by a <u>government entity</u> ?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
4.3 Had a low bid rejected on a <u>government contract</u> for failure to <u>make good faith efforts</u> on any <u>Minority-Owned Business Enterprise</u> , <u>Women-Owned Business Enterprise</u> or <u>Disadvantaged Business Enterprise</u> goal or <u>statutory affirmative action requirements</u> on a previously held contract?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
4.4 Agreed to a voluntary exclusion from bidding/contracting with a <u>government entity</u> ?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
4.5 Initiated a request to withdraw a bid submitted to a <u>government entity</u> in lieu of responding to an information request or subsequent to a formal request to appear before the <u>government entity</u> ?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
For each "Yes," explain:	

NEW YORK STATE
VENDOR RESPONSIBILITY QUESTIONNAIRE
FOR-PROFIT BUSINESS ENTITY

V. INTEGRITY – CONTRACT AWARD	
<i>Within the past five (5) years, has the reporting entity:</i>	
5.0 Been <u>suspended</u> , cancelled or <u>terminated for cause</u> on any <u>government contract</u> including, but not limited to, a <u>non-responsibility finding</u> ?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
5.1 Been subject to an <u>administrative proceeding</u> or civil action seeking specific performance or restitution in connection with any <u>government contract</u> ?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
5.2 Entered into a formal monitoring agreement as a condition of a contract award from a <u>government entity</u> ?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
For each "Yes," explain:	

VI. CERTIFICATIONS/LICENSES	
<i>Within the past five (5) years, has the reporting entity:</i>	
6.0 Had a revocation, <u>suspension</u> or <u>disbarment</u> of any business or professional permit and/or license?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
6.1 Had a denial, decertification, revocation or forfeiture of New York State certification of <u>Minority-Owned Business Enterprise</u> , <u>Women-Owned Business Enterprise</u> or federal certification of <u>Disadvantaged Business Enterprise</u> status for other than a change of ownership?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
For each "Yes," explain:	

VII. LEGAL PROCEEDINGS	
<i>Within the past five (5) years, has the reporting entity:</i>	
7.0 Been the subject of an <u>investigation</u> , whether open or closed, by any <u>government entity</u> for a civil or criminal violation?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
7.1 Been the subject of an indictment, grant of immunity, <u>judgment</u> or conviction (including entering into a plea bargain) for conduct constituting a crime?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
7.2 Received any OSHA citation and Notification of Penalty containing a violation classified as <u>serious or willful</u> ?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
7.3 Had a <u>government entity</u> find a willful prevailing wage or supplemental payment violation or any other willful violation of New York State Labor Law?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
7.4 Entered into a consent order with the New York State Department of Environmental Conservation, or received an enforcement determination by any <u>government entity</u> involving a violation of federal, state or local environmental laws?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
7.5 Other than previously disclosed: a) Been subject to fines or penalties imposed by <u>government entities</u> which in the aggregate total \$25,000 or more; or b) Been convicted of a criminal offense pursuant to any administrative and/or regulatory action taken by any <u>government entity</u> ?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
For each "Yes," explain:	

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VIII. FINANCIAL AND ORGANIZATIONAL CAPACITY	
8.0 Within the past five (5) years, has the <u>Reporting Entity</u> received any <u>formal unsatisfactory performance assessment(s)</u> from any <u>government entity</u> on any contract?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If "Yes," provide an explanation of the issue(s), relevant dates, the <u>government entity</u> involved, any remedial or corrective action(s) taken and the current status of the issue(s). Provide answer below or attach additional sheets with numbered responses.	
8.1 Within the past five (5) years, has the <u>Reporting Entity</u> had any <u>liquidated damages</u> assessed over \$25,000?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If "Yes," provide an explanation of the issue(s), relevant dates, contracting party involved, the amount assessed and the current status of the issue(s). Provide answer below or attach additional sheets with numbered responses.	
8.2 Within the past five (5) years, have any <u>liens</u> or <u>judgments</u> (not including UCC filings) over \$25,000 been filed against the <u>Reporting Entity</u> which remain undischarged?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If "Yes," provide an explanation of the issue(s), relevant dates, the Lien holder or Claimant's name(s), the amount of the <u>lien(s)</u> and the current status of the issue(s). Provide answer below or attach additional sheets with numbered responses.	
8.3 In the last seven (7) years, has the <u>Reporting Entity</u> initiated or been the subject of any bankruptcy proceedings, whether or not closed, or is any bankruptcy proceeding pending?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If "Yes," provide the bankruptcy chapter number, the court name and the docket number. Indicate the current status of the proceedings as "Initiated," "Pending" or "Closed." Provide answer below or attach additional sheets with numbered responses.	
8.4 During the past three (3) years, has the <u>Reporting Entity</u> failed to file or pay any tax returns required by <u>federal</u> , state or local tax laws?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If "Yes," provide the taxing jurisdiction, the type of tax, the liability year(s), the tax liability amount the <u>Reporting Entity</u> failed to file/pay and the current status of the tax liability. Provide answer below or attach additional sheets with numbered responses.	
8.5 During the past three (3) years, has the <u>Reporting Entity</u> failed to file or pay any New York State unemployment insurance returns?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If "Yes," provide the years the <u>Reporting Entity</u> failed to file/pay the insurance, explain the situation and any remedial or corrective action(s) taken and the current status of the issue(s). Provide answer below or attach additional sheets with numbered responses.	
8.6 During the past three (3) years, has the <u>Reporting Entity</u> had any <u>government audit(s)</u> completed?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
a) If "Yes," did any audit of the <u>Reporting Entity</u> identify any reported significant deficiencies in internal control, fraud, illegal acts, significant violations of provisions of contract or grant agreements, significant abuse or any <u>material disallowance</u> ?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If "Yes" to 8.6 a), provide an explanation of the issue(s), relevant dates, the <u>government entity</u> involved, any remedial or corrective action(s) taken and the current status of the issue(s). Provide answer below or attach additional sheets with numbered responses.	

NEW YORK STATE
VENDOR RESPONSIBILITY QUESTIONNAIRE
FOR-PROFIT BUSINESS ENTITY

IX. ASSOCIATED ENTITIES <i>This section pertains to any entity(ies) that either controls or is controlled by the <u>reporting entity</u>. (See definition of "<u>associated entity</u>" for additional information to complete this section.)</i>	
9.0 Does the <u>Reporting Entity</u> have any <u>Associated Entities</u>? Note: All questions in this section must be answered if the <u>Reporting Entity</u> is either: – An <u>Organizational Unit</u> ; or – The entire <u>Legal Business Entity</u> which controls, or is controlled by, any other entity(ies). If "No," SKIP THE REMAINDER OF SECTION IX AND PROCEED WITH SECTION X.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9.1 Within the past five (5) years, has any <u>Associated Entity Official</u> or <u>Principal Owner</u> been charged with a misdemeanor or felony, indicted, granted immunity, convicted of a crime or subject to a <u>judgment</u> for: a) Any business-related activity; or b) Any crime, whether or not business-related, the underlying conduct of which was related to truthfulness?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If "Yes," provide an explanation of the issue(s), the individual involved, his/her title and role in the <u>Associated Entity</u> , his/her relationship to the <u>Reporting Entity</u> , relevant dates, the <u>government entity</u> involved, any remedial or corrective action(s) taken and the current status of the issue(s).	
9.2 Does any <u>Associated Entity</u> have any currently undischarged <u>federal</u>, New York State, New York City or New York local government <u>liens</u> or <u>judgments</u> (not including UCC filings) over \$50,000?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If "Yes," provide an explanation of the issue(s), identify the <u>Associated Entity's</u> name(s), <u>EIN(s)</u> , primary business activity, relationship to the <u>Reporting Entity</u> , relevant dates, the Lien holder or Claimant's name(s), the amount of the <u>lien(s)</u> and the current status of the issue(s). Provide answer below or attach additional sheets with numbered responses.	
9.3 Within the past five (5) years, has any <u>Associated Entity</u>:	
a) Been <u>disqualified</u> , <u>suspended</u> or <u>debarred</u> from any <u>federal</u> , New York State, New York City or other New York local <u>government contracting process</u> ?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b) Been denied a contract award or had a bid rejected based upon a <u>non-responsibility finding</u> by any <u>federal</u> , New York State, New York City, or New York local <u>government entity</u> ?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
c) Been <u>suspended</u> , <u>cancelled</u> or <u>terminated for cause</u> (including for <u>non-responsibility</u>) on any <u>federal</u> , New York State, New York City or New York local <u>government contract</u> ?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
d) Been the subject of an <u>investigation</u> , whether open or closed, by any <u>federal</u> , New York State, New York City, or New York local <u>government entity</u> for a civil or criminal violation with a penalty in excess of \$500,000?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
e) Been the subject of an indictment, grant of immunity, <u>judgment</u> , or conviction (including entering into a plea bargain) for conduct constituting a crime?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
f) Been convicted of a criminal offense pursuant to any administrative and/or regulatory action taken by any <u>federal</u> , New York State, New York City, or New York local <u>government entity</u> ?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
g) Initiated or been the subject of any bankruptcy proceedings, whether or not closed, or is any bankruptcy proceeding pending?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
For each "Yes," provide an explanation of the issue(s), identify the <u>Associated Entity's</u> name(s), <u>EIN(s)</u> , primary business activity, relationship to the <u>Reporting Entity</u> , relevant dates, the <u>government entity</u> involved, any remedial or corrective action(s) taken and the current status of the issue(s). Provide answer below or attach additional sheets with numbered responses.	

NEW YORK STATE
VENDOR RESPONSIBILITY QUESTIONNAIRE
FOR-PROFIT BUSINESS ENTITY

X. FREEDOM OF INFORMATION LAW (FOIL)	
10. Indicate whether any information supplied herein is believed to be exempt from disclosure under the Freedom of Information Law (FOIL). Note: A determination of whether such information is exempt from FOIL will be made at the time of any request for disclosure under FOIL.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If "Yes," indicate the question number(s) and explain the basis for the claim.	

XI. AUTHORIZED CONTACT FOR THIS QUESTIONNAIRE		
Name Douglas E. Zimmerman, CPA	Telephone (716) 634-0700	Fax (716) 634-0764
Title Managing Director	Email dzimmerman@toskicpa.com	

**NEW YORK STATE
VENDOR RESPONSIBILITY QUESTIONNAIRE
FOR-PROFIT BUSINESS ENTITY**

Certification

The undersigned: (1) recognizes that this questionnaire is submitted for the express purpose of assisting New York State contracting entities in making responsibility determinations regarding an award of a contract or approval of a subcontract; (2) recognizes that the Office of the State Comptroller (OSC) will rely on information disclosed in the questionnaire in making responsibility determinations and in approving a contract or subcontract; (3) acknowledges that the New York State contracting entities and OSC may, in their discretion, by means which they may choose, verify the truth and accuracy of all statements made herein; and (4) acknowledges that intentional submission of false or misleading information may constitute a misdemeanor or felony under New York State Penal Law, may be punishable by a fine and/or imprisonment under Federal Law, and may result in a finding of non-responsibility, contract suspension or contract termination.

The undersigned certifies that he/she:

- is knowledgeable about the Reporting Entity's business and operations;
- has read and understands all of the questions contained in the questionnaire;
- has not altered the content of the questionnaire in any manner;
- has reviewed and/or supplied full and complete responses to each question;
- to the best of his/her knowledge, information and belief, confirms that the Reporting Entity's responses are true, accurate and complete, including all attachments, if applicable;
- understands that New York State will rely on the information disclosed in the questionnaire when entering into a contract with the Reporting Entity; and
- is under obligation to update the information provided herein to include any material changes to the Reporting Entity's responses at the time of bid/proposal submission through the contract award notification, and may be required to update the information at the request of the New York State contracting entities or OSC prior to the award and/or approval of a contract, or during the term of the contract.

Signature of Owner/Officer

Printed Name of Signatory

Douglas E. Zimmerman, CPA

Title

Managing Director

Reporting Entity Name

Toski & Co., CPAs, P.C.

Address

300 Essjay Road, Suite 115

City, State, Zip

Williamsville, New York 14221

Sworn to before me this 6th day of June 20 13 ;

Deborah A. Schall

Notary Public

DEBORAH A. SCHALL
Notary Public, State of New York
Qualified in Erie County
My Commission Expires November 7, 2014

Appendix E

Sample Report

INDEPENDENT ACCOUNTANTS' REPORT

To the Honorable Sheldon Silver
Speaker
New York State Assembly:

We have examined management's assertion included in its representation letter dated {date} that the New York State Assembly's internal controls maintained during the period July 1, 20XX through September 30, 20XX, are sufficient to meet the criteria for maintaining internal control as established in the "New York State Governmental Accountability, Audit and Internal Control Act." The New York State Assembly's management is responsible for maintaining internal controls. Our responsibility is to express an opinion on whether the Assembly's internal control are sufficient meet such criteria based on our examination. The significant objectives and relevant controls supporting management's assertion are in the accompanying Appendix A.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and Government Auditing Standards, issued by the Comptroller General of the United States and, accordingly, included obtaining an understanding of internal control over accounting and administrative operations, testing, and examining the design and operating effectiveness of the internal controls, and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination did not constitute an audit of any financial statement prepared by the New York State Assembly, nor did it constitute an economy and efficiency or program audit described by Government Auditing Standards.

Because of inherent limitations in any internal control, misstatements due to errors or fraud may occur and not be detected. Also, projections of any evaluation of the internal control over administrative operations to future periods are subject to the risk that the internal control may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

We understand that the New York State Assembly believes that the controls referred to in the first paragraph of this report meet the criteria for maintaining internal control as established by the "New York State Governmental Accountability, Audit and Internal Control Act." In our opinion, based on this understanding and on our examination, the New York State Assembly's internal controls maintained during the period July 1, 20XX through September 30, 20XX are sufficient, in all material respects, to meet the criteria established by the "New York State Governmental Accountability, Audit and Internal Control Act," based upon such criteria.

This report is intended for the information of the New York State Assembly and should not be used for any other purpose. However, this report is a matter of public record and its distribution is not limited.

Williamsville, New York
{date}