



October 16, 2014

Diane Demers
Finance Director
Town of Allenstown
16 School Street
Allenstown, NH 03275

Dear Diane:

We thank you for allowing us to submit a proposal for the Town of Allenstown. All pricing within is guaranteed for 90 days. No service costs will change from this proposal by your estimated start date of January 2015.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael J. Gatsas", is written over the word "Sincerely,". The signature is fluid and cursive.

Michael J. Gatsas
President

20 MARKET STREET
MANCHESTER, NH 03101
TEL: 603.624.7788
FAX: 603.647.9911
WWW.TRIVANTUS.COM

Date: 10/16/2014

New Client Other (Explain Below)

Company Name: Town of Allenstown

DBA Name: _____

Address: 16 School Street
Allenstown, NH 03275

Contact Person: Diane Demers Title: _____

Phone Number: (603) 485-4276 Extension: 120

Fax Number: _____ Federal ID #: _____

E-Mail Address: ddemers@allenstownnh.gov

Business Development Manager: AWP

Payroll Frequency: Bi-Weekly Number of Employees: 30-60

Delivery Method: U.S. Mail Input Method: Call-in / E-mail / Fax / Remote

Detail Specific Instructions:

\$3.00 Per Check (\$30.00 Minimum) Per Federal ID To Include the Following:

Tax Filing Services - New Hire Reporting - Direct Deposit - Standard Report Package - Trust Account

Signed & Sealed Checks - Workers' Compensation Report - Total Employee Compensation Tracking

Departmental Reports - Vacation/PTO Tracking - Direct Garnishment Payment - HR Module

NO SET UP CHARGE - NO PAYROLL PROCESSING PRICE INCREASES - UNLIMITED ADMIN SUPPORT

Freedom Self-Service (Employee Self-Serve) - \$10.00 Base Fee and \$0.50 Per User Per Month

U.S. Mail Delivery - \$7.00 Per Pay Period

Quarterly Delivery Charge - \$10.00 Per Federal ID

W-2 Preparation: \$50.00 & \$5.50 per W-2

Date: 10/16/2014

New Client Other (Explain Below)

Company Name: Town of Allentown

DBA Name: _____

Address: 16 School Street

Allentown, NH 03275

Contact Person: Diane Demers Title: _____

Phone Number: (603) 485-4276 Extension: 120

Fax Number: _____ Federal ID #: _____

E-Mail Address: ddemers@allentownnh.gov

Business Development Manager: AWP

Payroll Frequency: _____ Number of Employees: 30-60

Delivery Method: _____ Input Method: _____

Detail Specific Instructions:

Freedom Time - \$3.00 Per Active Employee Per Month (\$50.00 Minimum)

BMSI File Upload - \$10.00 Per Pay Period **WAIVED**

**Trivantus, Inc.
Type 2 SSAE 16
2014**

Price and Associates CPAs, LLC

**REPORT ON MANAGEMENT'S DESCRIPTION OF TRIVANTUS, INC.'S SYSTEM
AND THE SUITABILITY OF THE DESIGN AND OPERATING
EFFECTIVENESS OF CONTROLS**

**Pursuant to Statement on Standards for Attestation Engagements No. 16
(SSAE 16) Type 2**

January 1, 2014 Through June 30, 2014

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SECTION 1
INDEPENDENT SERVICE AUDITOR'S REPORT

**INDEPENDENT SERVICE AUDITOR'S REPORT
ON A DESCRIPTION OF TRIVANTUS, INC.'S SYSTEM AND
THE SUITABILITY OF THE DESIGN AND OPERATING EFFECTIVENESS OF CONTROLS**

To Trivantus, Inc.:

We have examined Trivantus, Inc.'s ('Trivantus' or 'the Company') description of its payroll processing system at its Manchester, New Hampshire location for processing user entities' transactions for the period January 1, 2014 through June 30, 2014, and the suitability of the design and operating effectiveness of controls to achieve the related control objectives stated in the description. The description indicates that certain control objectives specified in the description can be achieved only if complementary user entity controls contemplated in the design of Trivantus' controls are suitably designed and operating effectively, along with related controls at the service organization. We have not evaluated the suitability of the design and operating effectiveness of such complementary user entity controls.

Trivantus uses iSystems, LLC and Mainstay Technologies, LLC ("subservice organizations") for development and upgrades to the Evolution payroll processing system and the continuous backup of Evolution payroll data to a remote hot site and network administration, respectively. The description in Section 3 includes only the controls and related control objectives of Trivantus and excludes the control objectives and related controls of the subservice organizations. Our examination did not extend to controls of the subservice organizations.

In Section 2 of this report, Trivantus has provided an assertion about the fairness of the presentation of the description and suitability of the design and operating effectiveness of the controls to achieve the related control objectives stated in the description. Trivantus is responsible for preparing the description and for the assertion, including the completeness, accuracy, and method of presentation of the description and the assertion, providing the services covered by the description, specifying the control objectives and stating them in the description; identifying the risks that threaten the achievement of the control objectives, selecting the criteria, and designing, implementing, and documenting controls to achieve the related control objectives stated in the description.

Our responsibility is to express an opinion on the fairness of the presentation of the description and on the suitability of the design and operating effectiveness of the controls to achieve the related control objectives stated in the description, based on our examination. We conducted our examination in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform our examination to obtain reasonable assurance about whether, in all material respects, the description is fairly presented and the controls were suitably designed and operating effectively to achieve the related control objectives stated in the description for the period January 1, 2014 through June 30, 2014.

An examination of a description of a service organization's system and the suitability of the design and operating effectiveness of the service organization's controls to achieve the related control objectives stated in the description involves performing procedures to obtain evidence about the fairness of the presentation of the description and the suitability of the design and operating effectiveness of those controls to achieve the related control objectives stated in the description. Our procedures included assessing the risks that the description is not fairly presented and that the controls were not suitably designed or operating effectively to achieve the related control objectives stated in the description.

Our procedures also included testing the operating effectiveness of those controls that we consider necessary to provide reasonable assurance that the related control objectives stated in the description were achieved. An examination engagement of this type also includes evaluating the overall presentation of the description and the suitability of the control objectives stated therein, and the suitability of the criteria specified by the service organization and described in Section 2. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Because of their nature, controls at a service organization may not prevent, or detect and correct, all errors or omissions in processing or reporting transactions. Also, the projection to the future of any evaluation of the fairness of the presentation of the description, or conclusions about the suitability of the design or operating effectiveness of the controls to achieve the related control objectives is subject to the risk that controls at a service organization may become inadequate or fail.

In our opinion, in all material respects, based on the criteria described in Trivantus' assertion in Section 2 of this report,

- the description fairly presents the system that was designed and implemented for the period January 1, 2014 through June 30, 2014.
- the controls related to the control objectives stated in the description were suitably designed to provide reasonable assurance that the control objectives would be achieved if the controls operated effectively for the period January 1, 2014 through June 30, 2014 and user entities applied the complementary user entity controls contemplated in the design of Trivantus' controls for the period January 1, 2014 through June 30, 2014.
- the controls tested, which together with the complementary user entity controls referred to in the scope paragraph of this report, if operating effectively, were those necessary to provide reasonable assurance that the control objectives stated in the description were achieved, operated effectively for the period January 1, 2014 through June 30, 2014.

The specific controls tested and the nature, timing, and results of those tests are listed in Section 4.

This report, including the description of tests of controls and results thereof in Section 4, is intended solely for the information and use of Trivantus, user entities of Trivantus' system during some or all of the period January 1, 2014 through June 30, 2014, and the independent auditors of such user entities, who have a sufficient understanding to consider it, along with other information including information about controls implemented by user entities themselves, when assessing the risks of material misstatements of user entities' financial statements. This report is not intended to be and should not be used by anyone other than these specified parties.

A-LIGN CPAs

July 10, 2014
Tampa, Florida

SECTION 2
TRIVANTUS, INC.'S ASSERTION

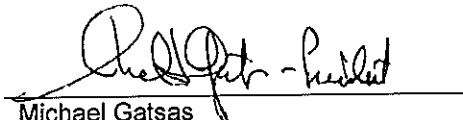
Trivantus, Inc.'s Assertion

July 10, 2014

We have prepared the description of Trivantus, Inc.'s payroll processing system for user entities of the system during some or all of the period January 1, 2014 through June 30, 2014, and their user auditors who have a sufficient understanding to consider it, along with other information, including information about controls implemented by user entities of the system themselves, when assessing the risks of material misstatements of user entities' financial statements. We confirm, to the best of our knowledge and belief, that:

- a. The description fairly presents the payroll processing system made available to user entities of the system during some or all of the period January 1, 2014 through June 30, 2014 for processing their transactions. The criteria we used in making this assertion were that the description:
 - i. presents how the system made available to user entities of the system was designed and implemented to process relevant transactions, including:
 - (1) The types of services provided including, as appropriate, the classes of transactions processed.
 - (2) The procedures, within both automated and manual systems, by which services are provided, including, as appropriate, procedures by which transactions are initiated, authorized, recorded, processed, corrected as necessary, and transferred to reports and other information prepared for user entities.
 - (3) The related accounting records, supporting information, and specific accounts that are used to initiate, authorize, record, process, and report transactions; this includes the correction of incorrect information and how information is transferred to the reports and other information prepared for user entities.
 - (4) How the system captures significant events and conditions, other than transactions.
 - (5) The process used to prepare reports and other information for user entities.
 - (6) The specified control objectives and controls designed to achieve those objectives, including as applicable, complementary user entity controls contemplated in the design of the service organization's controls.
 - (7) Other aspects of our control environment, risk assessment process, information and communication systems (including related business processes), control activities, and monitoring controls that are relevant to processing and reporting transactions of user entities of the system.
 - ii. does not omit or distort information relevant to the scope of the payroll processing system, while acknowledging that the description is prepared to meet the common needs of broad range of user entities of the system and the independent auditors of those user entities, and may not, therefore, include every aspect of the payroll processing system that each individual user entity of the system and its auditor may consider important in its own particular environment.

- b. The description includes relevant details of changes to the service organization's system during the period covered by the description when the description covers a period of time.
- c. The controls related to the control objectives stated in the description were suitably designed and operated effectively for the period January 1, 2014 through June 30, 2014 to achieve those control objectives. The criteria we used in making this assertion were that:
 - i. the risks that threaten the achievement of the control objectives stated in the description have been identified by the service organization;
 - ii. the controls identified in the description would, if operating as described, provide reasonable assurance that those risks would not prevent the control objectives stated in the description from being achieved; and
 - iii. the controls were consistently applied as designed, including whether manual controls were applied by individuals who have the appropriate competence and authority.



Michael Gatsas
President/ Chief Executive Officer
Trivantus, Inc.

SECTION 3
DESCRIPTION OF THE SYSTEM PROVIDED
BY THE SERVICE ORGANIZATION

OVERVIEW OF OPERATIONS

Company Background

Trivantus, Inc. was created by an experienced human resource company owner and executive in 2003. As a company doing business nationally, Trivantus trademarked its name in 2004. The organization has flourished through a focus on exceptional customer service and utilization of the most advanced and secure payroll processing technology available. To Trivantus, exceptional customer service means that each customer can call Trivantus with a question and speak with a Trivantus employee who knows their business and unique payroll situation. A philosophy of Trivantus is employing relationships through excellent communication. Trivantus has the ability to service clients who have less than ten employees as well as companies with hundreds of employees. Trivantus services clients throughout multiple industries including health care, banks, non-profits, restaurants, law firms, construction, public companies and municipal departments. Currently, Trivantus files state tax returns in thirty-six (36) states for its clients. Advanced and secure technology means that clients have the option of choosing how they want to enter payroll data, and receive their payroll documents, knowing that all data transmitted to and from Trivantus are transmitted via industry standard security protocols.

Description of Services Provided

Trivantus provides a full suite of human resource, payroll and benefits products.

Trivantus uses iSystems, LLC to develop, upgrade and maintain the Evolution payroll processing system. Mainstay Technologies, LLC provides network administration services to Trivantus.

Payroll Services and Tax Management

Trivantus provides payroll services that can be configured to meet each specific client's needs. Clients are able to enter their payroll data directly through a web portal, or by calling, faxing, or e-mailing the information to Trivantus. Clients also have the option of receiving payroll reports, checks, advices, and an assortment of payroll reports by e-mail, mail, overnight, or direct pickup from the Trivantus corporate office. Trivantus also offers a variety of tax filing services for its clients to calculate and remit payroll tax liabilities to federal, state and local agencies.

Health Insurance

Trivantus has Health, Dental, Vision, Life and Disability insurance brokers that provide services to save money and time for its clients. Trivantus can combine its payroll and HR modules to assist clients with their open enrollment.

Time and Attendance

Trivantus offers a complete and customizable web based time and attendance solution designed to increase workforce productivity. This web based product is integrated with Trivantus' payroll module.

Flexible Benefit Plan

Trivantus' Premium Only Plan (POP) of the Section 125 Cafeteria Plan allows an employee to deduct health premiums from his/her paycheck on a pre-tax basis. Trivantus will update and customize the Plan each year.

Background Checks

Trivantus offers instant background searches and employment screening solutions. This web based product allows its clients to do their due diligence prior to hiring employees.

E-Verification Services

An internet based system operated by the Department of Homeland Security (DHS) in conjunction with the Social Security Administration (SSA) which allows Trivantus to electronically verify employment eligibility of a newly hired employee.

Standard Verification Services

Trivantus provides through the Social Security Administration (SSA) a verification of employees' names and Social Security Numbers against SSA records. This helps Trivantus' clients make sure that the information on their employees' W-2 is correct.

Employee Self Serve

Trivantus offers a fully integrated module allowing employees to electronically request time off and make demographic changes to their information which is sent to their supervisors for approval. It also allows employees the ability to view and reprint their check history at their own convenience.

Human Resources

Trivantus offers a web based research application to help provide with HR information and solutions 24 hours a day. This module has a vast amount of information that clients can query on their employees when it comes to license renewals, company equipment and other HR needs.

Workers' Compensation Insurance

Trivantus offers workers' compensation directly to its clients through their brokers. This service is designed to provide a money management tool for more efficient cash flow and more organized record keeping when it comes to paying and managing workers' compensation.

General Ledger

Trivantus will fully integrate general ledger reports from its payroll software directly with many third party accounting applications.

Description of Payroll Services Processes

Physical Access

Physical security is critical to the protection of clients' sensitive information. With Trivantus, that begins with the physical security that surrounds the payroll processing area. Payroll processing occurs in a building that is monitored for both natural disasters and unauthorized attempts to enter the building by a guard service that monitors alarms continuously. Key code access to restricted areas and a fully staffed reception area keep the areas where critical payroll processes occur secure.

Information Security

As is physical security, information security is vital to the company's network, operating systems, and software application programs. Trivantus has a documented security policy to offer a high level of protection against unauthorized access, disclosure, modification or destruction, as well as to assure the availability, integrity, usability, authenticity and confidentiality of information.

Computer Operations

Trivantus has documented computer operations policies and procedures that guide employees in the appropriate procedures to follow as they relate to computer operations. While Trivantus utilizes a third party company to configure and manage the operations of the back-up systems, internal employees are responsible for the physical exchanges of the encrypted back-up hard drives and the physical removal of the drives from the Trivantus office building. For 2013, image backups of individual workstations were implemented to improve recoverability of workstations in the event of a failure.

Data Communications

Trivantus protects the data that is stored within the payroll database on behalf of clients, as well as securing data transmitted to and from clients and other third parties. A third party network administration company manages the firewalls, and all information and data transmissions are encrypted before the transmission leaves the Trivantus network.

Client Implementations

Accurate client implementations that include the complete and accurate set-up of the client in the payroll processing system is the first step Trivantus takes in providing accurate and timely payroll processing and related filings. Checklists and sign-offs by multiple levels of management provide the controls necessary to facilitate the complete and accurate set-up of client accounts. These processes enable Trivantus to correctly input payroll due dates, tax filings, and correct contact information into the system.

Payroll Data Entry

Once a client account has been established and configured correctly in the system, payroll processing can begin. Trivantus will only accept information from the designated client contact established during implementation and various on-screen warnings and edit checks facilitate the accurate entry of payroll data into the system.

Payroll Processing and Reporting

The status of clients' payroll processing and reporting is constantly monitored by the management team of Trivantus. The team uses physical checks as well as documented procedures that are signed off on each day. The payroll processing system generates daily reporting that is carefully reviewed each day to determine that all actions have been taken to ensure that client payroll processing and filing deadlines will be met.

Tax Payment and Reporting

Trivantus reconciles bank accounts on a daily basis to account for all received and outstanding payroll and tax transactions. The Tax & Finance Department is alerted daily by the various financial institutions of any ACH processing issues and acts on them accordingly. Tax payments to various Federal, State and Local agencies are monitored daily and remitted according to the respective depositing frequencies of the tax liability. All of these procedures are checked and controlled on a daily checklist. Before Trivantus can initiate funds transfers on behalf of clients, a signed banking authorization is required and bank account changes require the client to submit the changes on a bank account change form.

CONTROL ENVIRONMENT

Integrity and Ethical Values

The effectiveness of controls cannot rise above the integrity and ethical values of the people who create, administer, and monitor them. Integrity and ethical values are essential elements of Trivantus' control environment, affecting the design, administration, and monitoring of other components. Integrity and ethical behavior are the product of Trivantus' ethical and behavioral standards, how they are communicated, and how they are reinforced in practices. They include management's actions to remove or reduce incentives and temptations that might prompt personnel to engage in dishonest, illegal, or unethical acts. They also include the communication of entity values and behavioral standards to personnel through policy statements and codes of conduct, as well as by example.

Specific control activities that the service organization has implemented in this area are described below:

- Organizational policy statements and codes of conduct are documented and communicate entity values and behavioral standards to personnel. The employee policy and procedures manual contains organizational policy statements and codes of conduct to which employees are required to adhere.
- Policies and procedures require that employees sign an acknowledgment form indicating that they have been given access to the employee manual and understand their responsibility for adhering to the policies and procedures contained within the manual.
- A confidentiality statement agreeing not to disclose proprietary or confidential information, including Trivantus information, to unauthorized parties is a component of the employee handbook.
- Background checks are performed for employees as a component of the hiring process.

Commitment to Competence

Trivantus' management defines competence as the knowledge and skills necessary to accomplish tasks that define employees' roles and responsibilities. Management's commitment to competence includes management's consideration of the competence levels for particular jobs and how those levels translate into the requisite skills and knowledge.

Specific control activities that the service organization has implemented in this area are described below:

- Management has considered the competence levels for particular jobs and translated required skills and knowledge levels into written position requirements.
- Skills testing are utilized during the hiring process to qualify the skills of personnel for certain positions.
- A training program has been developed to maintain the skill level of personnel in certain positions.

Board of Directors Participation

Trivantus' control consciousness is influenced significantly by its board of directors. The board of directors oversees management activities and meets on a regular basis to discuss matters pertinent to the organization's operations and to review financial results.

Management's Philosophy and Operating Style

Trivantus' management philosophy and operating style encompass a broad range of characteristics. Such characteristics include management's approach to taking and monitoring business risks, and management's attitudes toward information processing, accounting functions and personnel.

Specific control activities that the service organization has implemented in this area are described below:

- Management is periodically briefed on regulatory and industry changes affecting the services provided.
- Management meetings are held on a weekly basis to discuss operational issues.

Organizational Structure and Assignment of Authority and Responsibility

Trivantus' organizational structure provides the framework within which its activities for achieving entity-wide objectives are planned, executed, controlled, and monitored. Management believes that establishing a relevant organizational structure includes considering key areas of authority and responsibility. An organizational structure has been developed to suit its needs. This organizational structure is based, in part, on its size and the nature of its activities.

Trivantus' assignment of authority and responsibility activities include factors such as how authority and responsibility for operating activities are assigned and how reporting relationships and authorization hierarchies are established. It also includes policies relating to appropriate business practices, knowledge and experience of key personnel, and resources provided for carrying out duties. In addition, it includes policies and communications directed at ensuring that personnel understand the entity's objectives, know how their individual actions interrelate and contribute to those objectives, and recognize how and for what they will be held accountable. Organizational charts are in place to communicate key areas of authority and responsibility. These charts are communicated to employees and updated as needed.

Human Resources Policies and Practices

Trivantus' human resources policies and practices relate to employee hiring, orientation, training, evaluation, counseling, promotion, compensation, and disciplinary activities.

Specific control activities that the service organization has implemented in this area are described below:

- Pre-hire screening procedures are in place and are documented in a new hire checklist.
- A new hire orientation checklist must be signed by each new employee after they attend orientation on their first day of employment.
- Evaluations for each employee are performed after 90 days of employment and on an annual basis. Customer service representatives receive annual quality assurance reviews.
- Employee termination procedures are in place to guide the termination process and are documented in a termination checklist.

RISK ASSESSMENT

Trivantus has placed into operation a risk assessment process to identify and manage risks that could affect the organization's ability to provide reliable transaction processing for user organizations. This process requires management to identify significant risks in their areas of responsibility and to implement appropriate measures to address those risks.

Risks that are considered during management's risk assessment activities include consideration of the following risks:

- Changes in operating environment
- New personnel
- New or revamped information systems
- Rapid growth

- New technology
- New business models, products, or activities
- New accounting pronouncements

Management's recognition of risks that could affect the organization's ability to provide reliable transaction processing for its user organizations is generally implicit, rather than explicit. Management's involvement in the daily operations allows them to learn about risks through direct personal involvement with employees and outside parties, thus reducing the need for formalized and structured risk assessment processes.

CONTROL OBJECTIVE AND RELATED CONTROL ACTIVITIES

Trivantus' control objectives and related control activities are included in Section 4 of this report to eliminate the redundancy that would result from listing the items in this section and repeating them in Section 4. Although the control objectives and related control activities are included in Section 4, they are, nevertheless, an integral part of Trivantus' description of controls.

The description of the service auditor's tests of operating effectiveness and the results of those tests are also presented in Section 4, adjacent to the service organization's description of controls. The description of the tests of operating effectiveness and the results of those tests are the responsibility of the service auditor and should be considered information provided by the service auditor.

MONITORING

Strict peer review protocols and division of responsibilities and weekly management meetings to discuss outstanding items and issues provides for real time monitoring of operational activities. Regular conference calls with vendors and client organizations assist in the monitoring process. Senior management is extremely involved in the day to day operations of the company and provides for hands on monitoring.

INFORMATION AND COMMUNICATION SYSTEMS

Information Systems

Trivantus uses the Evolution payroll processing system, developed and maintained by iSystems, LLC. Evolution has the functionality that enables Trivantus to configure clients to meet customized payroll, reporting, and tax filing requirements. For enhanced security features, access to Evolution is role-based, enabling Trivantus to grant user access based on employees' job functions. Evolution also has an audit trail feature, enabling Trivantus to track all changes made to the Payroll database.

Communication Systems

Upper management is involved with day-to-day operations and is able to provide personnel with an understanding of their individual roles and responsibilities pertaining to internal controls. This includes the extent to which personnel understand how their activities relate to the work of others and the means of reporting exceptions to a higher level within Trivantus. Management believes that open communication channels help ensure that exceptions are reported and acted on. For that reason, formal communication tools such as organizational charts, employee handbooks, training classes and job descriptions are in place. Management's communication activities are made electronically, verbally, and through the actions of management.

COMPLEMENTARY USER ENTITY CONTROLS

Trivantus' services are designed with the assumption that certain controls will be implemented by user entities. Such controls are called complementary user entity controls. It is not feasible for all of the control objectives related to Trivantus' services to be solely achieved by Trivantus' control procedures. Accordingly, user entities, in conjunction with the services, should establish their own internal controls or procedures to complement those of Trivantus.

The following complementary user entity controls should be implemented by user entities to provide additional assurance that the control objectives described within this report are met. As these items represent only a part of the control considerations that might be pertinent at the user entities' locations, user entities' auditors should exercise judgment in selecting and reviewing these complementary user entity controls.

1. User entities and subservice organizations are responsible for understanding and complying with their obligations to Trivantus.
 2. User entities are responsible for notifying Trivantus of changes made to technical or administrative contact information.
 3. User entities are responsible for maintaining their own payroll records accurately.
 4. User entities are responsible for ensuring the supervision, management and control of the use of Trivantus services by their personnel.
 5. User entities are responsible for developing their own disaster recovery and business continuity plans that address the inability to access or utilize Trivantus services.
 6. User entities are responsible for ensuring that user IDs and passwords are assigned to only authorized individuals.
 7. User entities are responsible for ensuring the confidentiality of any user IDs and passwords used to access Trivantus' systems.
-

SECTION 4

**TESTING OF CONTROL OBJECTIVES AND RELATED
CONTROL ACTIVITIES PROVIDED BY THE SERVICE AUDITOR**

GUIDANCE REGARDING INFORMATION PROVIDED BY THE SERVICE AUDITOR

Price and Associates CPAs, LLC's examination of the controls of Trivantus was limited to the control objectives and related control activities specified by the management of Trivantus and did not encompass all aspects of Trivantus' operations or operations at user organizations. Our examination was performed in accordance with American Institute of Certified Public Accountants (AICPA) Statement on Standards for Attestation Engagements No. 16 (SSAE 16).

Our examination of the control activities were performed using the following testing methods:

TEST	DESCRIPTION
Inquiry	The service auditor made inquiries of service organization personnel. Inquiries were made to obtain information and representations from the client to determine that the client's knowledge of the control and corroborate policy or procedure information.
Observation	The service auditor observed application of the control activities by client personnel.
Inspection	The service auditor inspected among other items, source documents, reports, system configurations to determine performance of the specified control activity and in some instances the timeliness of the performance of control activities.
Re-performance	The service auditor independently executed procedures or controls that were originally performed by the service organization as part of the entity's internal control.

In determining whether a SSAE 16 report meets the user auditor's objectives, the user auditor should perform the following procedures:

- Understand the aspects of the service organization's controls that may affect the processing of the user organization's transactions;
- Understand the flow of significant transactions through the service organization;
- Determine whether the control objectives are relevant to the user organization's financial statement assertions;
- Determine whether the service organization's controls are suitably designed to prevent or detect processing errors that could result in material misstatements in the user organization's financial statements and determine whether they have been implemented.

CONTROL AREA 1

PHYSICAL SECURITY

Control Objective Specified by the Service Organization: Controls provide reasonable assurance that business premises and information systems are protected from unauthorized access, damage and interference.

Control Point	Control Activity Specified by the Service Organization	Test Applied by the Service Auditor	Test Results
1.1	A receptionist monitors and controls access to the corporate facility during normal business hours.	Observed the facility entrance to determine that a receptionist monitored and controlled access to the corporate facility during normal business hours.	No exceptions noted.
1.2	A third party monitoring company monitors the alarm system during non-business hours.	Inspected a confirmation from a third party monitoring company to determine that a third party monitoring company monitored the alarm system during non-business hours.	No exceptions noted.
1.3	The server room door is kept locked at all times. Only Trivantus employees at the director level and higher have keys to the server room.	Inquired of the Director of Tax and Finance regarding server room access to determine that only employees at the director level and higher had keys to the server room.	No exceptions noted.
1.4	The Trivantus building and offices are protected with an audible alarm and motion detectors that are configured to signal the third party security monitoring company, the police and /or fire department.	Observed the access to the server room to determine that the server room door was kept locked at all times, and that only Trivantus employees at the director level and higher had keys to the server room. Inquired of the Business Development director regarding building security to determine that the building had an audible alarm and motion detectors that were configured to signal the third party security monitoring company, the police and/or fire department.	No exceptions noted.
		Observed the Trivantus building and offices security equipment to determine that the Trivantus building and offices were protected with an audible alarm and motion detectors that were configured to signal the third party security monitoring company, the police and/or fire department.	No exceptions noted.

CONTROL AREA 2

COMPUTER OPERATIONS

Control Objective Specified by the Service Organization: Controls provide reasonable assurance of timely system backups of critical files, offsite backup storage, and regular rotation of backup files, and that systems are maintained in a manner that helps ensure system availability.

Control Point	Control Activity Specified by the Service Organization	Test Applied by the Service Auditor	Test Results
2.1	Trivantus has backup policies and procedures in place to guide personnel in the backup processes for critical files.	Inspected the backup policies and procedures to determine that Trivantus had backup policies and procedures in place to guide personnel in the backup processes for critical files.	No exceptions noted.
2.2	Backup hard drives are rotated and removed from the Trivantus office building on a daily basis.	Inquired of the Director of Tax and Finance to determine that backup hard drives were rotated and removed from the Trivantus office building on a daily basis.	No exceptions noted.
2.3	Trivantus monitors the daily backup procedure via a daily e-mail notification generated by the backup system.	Observed the backup hard drives and server room log to determine that backup hard drives were rotated and removed from the Trivantus office building on a daily basis.	No exceptions noted.
	Trivantus monitors the daily backup procedure via a daily e-mail notification generated by the backup system.	Inspected a sample of days' backup system generated e-mails to determine that Trivantus monitored the daily backup procedure via a daily e-mail notification generated by the backup system.	No exceptions noted.

CONTROL AREA 3 INFORMATION SECURITY

Control Objective Specified by the Service Organization: Controls provide reasonable assurance that system information once entered into the system is protected from unauthorized or unintentional use, modification, addition or deletion.

Control Point	Control Activity Specified by the Service Organization	Test Applied by the Service Auditor	Test Results
3.1	<p>Trivantus has documented Information Security policies in place to guide employees in maintaining the safety and integrity of information belonging to Trivantus, clients and third parties.</p>	<p>Inspected the Information Security policies to determine that Trivantus had policies in place to guide employees in maintaining the safety and integrity of information belonging to Trivantus, clients, and third parties.</p>	No exceptions noted.
3.2	<p>Users are required to authenticate via a user account and password before being granted access to the internal network domain.</p>	<p>Inspected the account policy to determine that users were required to authenticate via a network ID and password before being granted access to the internal network domain.</p>	No exceptions noted.
3.3	<p>The network domain is configured to enforce the following password requirements:</p> <ul style="list-style-type: none"> • Minimum length • Expiration interval • Password history • Complexity Requirements 	<p>Inspected the network password policies to determine that the network domain was configured to enforce the following password requirements:</p> <ul style="list-style-type: none"> • Minimum length • Expiration interval • Password history • Complexity Requirements 	No exceptions noted.
3.4	<p>The network domain is configured to enforce the following account lockout policies:</p> <ul style="list-style-type: none"> • Account Lockout Duration • Account Lockout Threshold • Reset account lockout counter after 	<p>Inspected the network domain configuration settings to determine that the network domain was configured to enforce the following account lockout policies:</p> <ul style="list-style-type: none"> • Account Lockout Duration • Account Lockout Threshold • Reset account lockout counter after 	No exceptions noted.
3.5	<p>The network domain audit policy is configured to log the following events:</p> <ul style="list-style-type: none"> • Account logon events • Account Management • Directory service access • Policy Change 	<p>Inspected the network domain audit policy configuration to determine that the network domain was configured to log the following events:</p> <ul style="list-style-type: none"> • Account logon events • Account Management • Directory service access • Policy Change 	No exceptions noted.

CONTROL AREA 3 INFORMATION SECURITY

Control Objective Specified by the Service Organization: Controls provide reasonable assurance that system information once entered into the system is protected from unauthorized or unintentional use, modification, addition or deletion.

Control Point	Control Activity Specified by the Service Organization	Test Applied by the Service Auditor	Test Results
3.6	Administrator access within the network domain is restricted to the Chief Executive Officer and the Director of Tax and Finance of Trivantus.	Inquired of the Director of Tax and Finance regarding administrative access within the network domain to determine that administrator access within the network domain was restricted to the Chief Executive Officer and the Director of Tax and Finance at Trivantus.	No exceptions noted.
3.7	Application users are required to authenticate via a user account and password before being granted access to the Evolution payroll processing system.	Inspected the network administrator listing to determine that administrator access within the network domain was restricted to the Chief Executive Officer and the Finance and Tax Director of Trivantus.	No exceptions noted.
3.8	Only the Director of Tax and Finance and the Director of Payroll have administrative access to the Evolution payroll processing system.	Observed Trivantus employees log on at the Evolution application authentication prompt to determine that users were required to authenticate via a user account and password before being granted access to the application.	No exceptions noted.
3.9	User accounts are assigned to predefined access roles within the Evolution payroll processing system based on job roles.	Inspected the user profiles of employees with a job level at the director level or below to determine that only the Director of Tax and Finance and the Director of Payroll had administrative access to the Evolution payroll processing system.	No exceptions noted.
3.9	User accounts are assigned to predefined access roles within the Evolution payroll processing system based on job roles.	Inspected the user access listing and security profile definitions to determine that user accounts were assigned to predefined access roles within the Evolution payroll processing system based on job roles.	No exceptions noted.

CONTROL AREA 3 INFORMATION SECURITY

Control Objective Specified by the Service Organization: Controls provide reasonable assurance that system information once entered into the system is protected from unauthorized or unintentional use, modification, addition or deletion.

Control Point	Control Activity Specified by the Service Organization	Test Applied by the Service Auditor	Test Results
3.10	Access to the network domain is revoked as a component of the termination process.	<p>Inquired of the Director of Business Development regarding employment policies and procedures to determine that access to the network domain was revoked as a component of the termination process.</p> <p>Inspected the access control list of users and cross-referenced the user list with the population of terminated employees to determine that access to the network was revoked as a component of the termination process.</p>	<p>No exceptions noted.</p> <p>No exceptions noted.</p>

CONTROL AREA 4 DATA COMMUNICATIONS

Control Objective Specified by the Service Organization: Controls provide reasonable assurance that data maintains its integrity and security as it is transmitted between third parties and Trivantus.

Control Point	Control Activity Specified by the Service Organization	Test Applied by the Service Auditor	Test Results
4.1	Trivantus maintains Data Communications policies and procedures to guide employees in the proper procedures to safely transmit data between clients, third parties, and Trivantus.	Inspected the Data Communications policies and procedures to determine that policies and procedures were in place to guide employees in the proper procedures to safely transmit data between clients, third parties, and Trivantus.	No exceptions noted.
4.2	The firewall system is configured to allow only specific types of traffic between certain destinations.	Inquired of the Director of Tax and Finance regarding the firewall rules to determine that the firewall system was configured to allow only specific types of traffic between certain destinations.	No exceptions noted.
4.3	Administrator access within the firewall system is restricted to a user account accessible by the third party contractor.	Inspected the firewall ruleset to determine that the firewall system was configured to allow only specific types of traffic between certain destinations.	No exceptions noted.
4.4	Scans and network vulnerability assessments are performed to maintain the integrity of Trivantus' data transmissions.	Inspected the listing of users with access to make changes to the firewall to determine that administrator access within the firewall system was restricted to a user account accessible by the third party contractor.	No exceptions noted.
4.5	Antivirus software is installed on servers and workstations.	Inspected a scan report and a vulnerability details report from within the review period to determine that scans and network vulnerability assessments were performed to maintain the integrity of Trivantus' data transmissions.	No exceptions noted.

CONTROL AREA 5 CLIENT IMPLEMENTATIONS

Control Objective Specified by the Service Organization: Control activities provide reasonable assurance that clients are implemented according to contractual requirements accurately in the system.

Control Point	Control Activity Specified by the Service Organization	Test Applied by the Service Auditor	Test Results
5.1	New clients are setup in the Evolution Payroll System based upon the New Client Routing Form provided by the sales team. This form captures the client demographics and all implementation steps up to and through the client's first payroll run and is signed off on by the Director of Implementation and Director of Payroll upon completion.	Inspected the Client Routing form for a sample of clients implemented during the review period to determine that new clients were setup in the Evolution Payroll System based upon the New Client Routing Form provided by the sales team and that this form captured the client demographics and all implementation steps up to and through the client's first payroll run and was signed off on by the Director of Implementation and Director of Payroll upon completion.	No exceptions noted.
5.2	New clients' first payroll processing runs are prepared according to a First Payroll Processing Checklist that Trivantus uses to verify that the payroll is processed according to client requirements. These forms are signed off by the Director of Implementation to document that the steps were completed and that the processing configurations have been set up according to the client requirements.	Inspected the First Payroll Processing Checklist for a sample of clients implemented during the review period to determine that new clients' first payroll processing runs were prepared according to a First Payroll Processing Checklist that Trivantus used to verify that the payroll was processed according to client requirements and that these forms were signed off by the Director of Implementation to document that the steps were completed and that the processing configurations had been set up according to the client requirements.	No exceptions noted.
5.3	The New Client Routing Form requirements include utilizing a Client Setup Checklist that captures the specifics regarding a clients' payroll processing configuration including pay frequency, payday, reporting method, pay types, bank information, delivery method, designated client contacts, tax requirements, deduction types, and any third party related information, i.e., tax professional.	Observed the configurations of a sample of clients based upon the Client Setup Checklists to determine that the New Client Routing Form requirements included utilizing a Client Setup Checklist that captured the specifics regarding a clients' payroll processing configuration including pay frequency, payday, reporting method, pay types, bank information, delivery method, designated client contacts, tax requirements, deduction types, and any third party related information, i.e., tax professional.	No exceptions noted.

CONTROL AREA 5**CLIENT IMPLEMENTATIONS**

Control Objective Specified by the Service Organization: Control activities provide reasonable assurance that clients are implemented according to contractual requirements accurately in the system.

Control Point	Control Activity Specified by the Service Organization	Test Applied by the Service Auditor	Test Results
5.4	<p>Trivantus verifies that the tax identification (id) number provided by the client is correct for tax reporting purposes. Trivantus accomplishes this by entering the client-provided tax id number and name into the Evolution EFTPS module which will send a transmission to the Federal Taxing agency to ensure that the client's tax reporting entered will be for the correct name and id number recognized by the taxing authorities.</p>	<p>Inspected the EFTPS Verification form for a sample of clients implemented during the review period to determine that Trivantus verified that the tax identification (id) number provided by the client was correct for tax reporting purposes and that Trivantus accomplished this by entering the client provided tax id number and name into the Evolution EFTPS module which would send a transmission to the Federal Taxing agency to ensure that the client's tax reporting entered would be for the correct name and id number recognized by the taxing authorities.</p>	<p>No exceptions noted.</p>

CONTROL AREA 6 PAYROLL DATA ENTRY

Control Objective Specified by the Service Organization: Control activities provide reasonable assurance that payroll data, whether entered via web, phone, or fax, or e-mail is accurate and complete.

Control Point	Control Activity Specified by the Service Organization	Test Applied by the Service Auditor	Test Results
6.1	Payroll processors only accept data by phone, fax, or e-mail from the payroll client's designated payroll contact.	Inquired of the Director of Payroll to determine that payroll processors would only accept data by phone, fax, or e-mail from the payroll client's designated payroll contact. Observed payroll processors performing data entry on behalf of clients by phone, fax, or e-mail to determine that payroll processors would only accept data by phone, fax, or e-mail from the payroll client's designated payroll contact.	No exceptions noted.
6.2	Trivantus payroll personnel will only reset customer user ID's and passwords for users that are listed as a designated payroll contact within the payroll system.	Inspected the procedures for re-setting a user ID and password for a client entering payroll via the web to determine that the user must be listed as a designated payroll contact of the client before Trivantus will reset the user account.	No exceptions noted.
6.3	After payroll data has been entered into the payroll system, the Evolution payroll system executes a pre-payroll process that allows the payroll processor to determine if the data has been entered correctly before executing the "submit payroll" function.	Inquired of the Director of Payroll regarding the process for entering data into the payroll system to determine that after payroll data had been entered into the payroll system, the Evolution payroll system executed a pre-payroll process that allowed the payroll processor to determine if the data had been entered correctly before executing the "submit payroll" function. Observed an entry into the payroll system to determine that after payroll data had been entered into the payroll system, the Evolution payroll system executed a pre-payroll process that allowed the payroll processor to determine if the data had been entered correctly before executing the "submit payroll" function.	No exceptions noted.

CONTROL AREA 6 PAYROLL DATA ENTRY

Control Objective Specified by the Service Organization: Control activities provide reasonable assurance that payroll data, whether entered via web, phone, or fax, or e-mail is accurate and complete.

Control Point	Control Activity Specified by the Service Organization	Test Applied by the Service Auditor	Test Results
6.4	The Evolution payroll processing system allows a client to have pre-set dollar and hour limits that will generate a "warning screen", that will allow the user entering the payroll data to determine whether or not to proceed with processing the payroll, or make an adjustment to the amounts entered.	Observed the "warning screen" generated when amounts entered into the payroll system exceeded a pre-set limit for dollars or hours for a client.	No exceptions noted.

CONTROL AREA 7 PAYROLL PROCESSING

Control Objective Specified by the Service Organization: Control activities provide reasonable assurance that payrolls are processed and payroll checks and direct deposits are accurate and complete.

Control Point	Control Activity Specified by the Service Organization	Test Applied by the Service Auditor	Test Results
7.1	<p>Each payroll client has a physical file folder that indicates which pay cycle and pay day the payroll is due with a color-coded lettering system. Each week the files for the payrolls due that week are placed on a cart that is physically monitored by the payroll manager and director to assist Trivantus in meeting the clients' payroll deadlines.</p>	<p>Observed the physical cart in the payroll department to determine that each payroll client had a physical file folder that indicated which pay cycle and pay day the payroll was due with a color-coded lettering system, and that each week the files for the payrolls due that week were placed on a cart that was physically monitored by the payroll manager and director to assist Trivantus in meeting the clients' payroll deadlines.</p>	<p>No exceptions noted.</p>
7.2	<p>Each day, the Payroll Manager is required to sign off on a manager's checklist of all key payroll tasks that are executed daily to meet clients' payroll processing deadlines.</p>	<p>Inspected the signed daily checklist of the Payroll Manager to determine that each day, the Payroll Manager was required to sign off on a manager's checklist of all key payroll tasks that were executed daily to meet clients' payroll processing deadlines.</p>	<p>No exceptions noted.</p>
7.3	<p>Each day, the Director of Payroll is required to sign off on a director's checklist of all key payroll tasks that are executed to complete payroll processing for a day.</p>	<p>Inspected the signed daily checklist of the Director of Payroll to determine that each day, the Director of Payroll was required to sign off on a director's checklist of all key payroll tasks that were executed to complete payroll processing for a day.</p>	<p>No exceptions noted.</p>
7.4	<p>The Evolution payroll processing system sends payroll processing error notifications to the general payroll e-mail box. Each day, as part of the daily checklist, the Director of Payroll checks the payroll e-mail to determine if there were any processing issues or errors that have not been resolved.</p>	<p>Observed the Director of Payroll reviewing the general e-mail box at the end of the day to determine that the Evolution payroll processing system sent payroll processing error notifications to the general payroll e-mail box, and that each day, as part of the daily checklist, the payroll director checks the payroll e-mail to determine if there were any processing issues or errors that had not been resolved.</p>	<p>No exceptions noted.</p>

CONTROL AREA 7

PAYROLL PROCESSING

Control Objective Specified by the Service Organization: Control activities provide reasonable assurance that payrolls are processed and payroll checks and direct deposits are accurate and complete.

Control Point	Control Activity Specified by the Service Organization	Test Applied by the Service Auditor	Test Results
7.5	Each day the Director of Payroll reviews the "Unprocessed Payroll Report" to resolve any issues that would prevent the payroll system from completing the payroll before the due date. This report lists any payrolls started for a day that had not processed.	Inspected the Unprocessed Payroll Report to determine that each day, the Director of Payroll reviewed the "Unprocessed Payroll Report" to resolve any issues that would prevent the payroll system from completing the payroll before the due date, and that this report listed any payrolls started for a day that had not processed.	No exceptions noted.
7.6	Each day the Director of Payroll performs a daily funds reconciliation to determine that all ACH transmissions that Evolution had scheduled to occur for a day transmitted.	Inspected the Daily Funds Reconciliation to determine that each day the Director of Payroll performed a daily funds reconciliation to determine that all ACH transmissions that Evolution had scheduled to occur for a day had transmitted.	No exceptions noted.

CONTROL AREA 8

CLIENT REPORTING

Control Objective Specified by the Service Organization: Control activities provide reasonable assurance that client reports are accurate and reports are made available timely to clients.

Control Point	Control Activity Specified by the Service Organization	Test Applied by the Service Auditor	Test Results
8.1	The Evolution payroll processing system transmits completed payrolls to the Evolution Virtual Mail Room to be packaged according to pre-configured client instructions by the Trivantus packaging operator.	Observed the virtual mail room screen to determine that the Evolution payroll processing system transmitted completed payrolls to the Evolution Virtual Mail Room to be packaged according to pre-configured client instructions by the Trivantus packaging operator.	No exceptions noted.
8.2	The Evolution payroll system generated "front sheets" for completed payroll packages to provide instructions for the client's preferred delivery method and the required reporting outputs the client has elected to receive.	Observed the Trivantus packaging operator process payroll outputs to determine that the Evolution payroll system generated "front sheets" for completed payroll packages that provided instructions for the client's preferred delivery method and the required reporting outputs the client had elected to receive.	No exceptions noted.
8.3	At the end of each day, the Director of Payroll inspects the virtual mail room to check that all completed payrolls have been packaged to meet client payroll deadlines per the payroll director checklist.	Observed the payroll director perform "end of day" procedures per the Director of Payroll checklist to determine that the Director of Payroll inspected the virtual mail room to check that all completed payrolls had been packaged to meet client payroll deadlines.	No exceptions noted.
8.4	For clients electing to pick up hard copy payroll packages, the packages are placed in a covered plastic bin with a sign-off sheet and given to the receptionist at the beginning of each day, and returned to the output processing area to be stored in a secure location at night.	Inspected the Director's "End of Day" Checklist for a sample of days to determine that the Director of Payroll inspected the virtual mail room to check that all completed payrolls had been packaged to meet client payroll deadlines. Observed the covered plastic bin with the payroll packages as well as the sign off sheet to determine that for clients electing to pick up hard copy payroll packages, the packages were placed in a covered plastic bin with a sign-off sheet and were given to the receptionist at the beginning of each day, and returned to the output processing area to be stored in a secure location at night.	No exceptions noted.

CONTROL AREA 8

CLIENT REPORTING

Control Objective Specified by the Service Organization:

Control activities provide reasonable assurance that client reports are accurate and reports are made available timely to clients.

Control Point	Control Activity Specified by the Service Organization	Test Applied by the Service Auditor	Test Results
8.5	Live checks are printed on blank check stock and retained in a locked, secure location until they are sent to the client by the client's preferred method of delivery.	Observed the blank check stock supply and the area where live packaged checks were stored to determine that live checks were printed on blank check stock and retained in a locked, secure location until they were sent to the client by the client's preferred method of delivery.	No exceptions noted.

CONTROL AREA 9 TAX PAYMENTS AND FILING

Control Objective Specified by the Service Organization: Controls provide reasonable assurance that necessary tax payments and filings are performed accurately and timely.

Control Point	Control Activity Specified by the Service Organization	Test Applied by the Service Auditor	Test Results
9.1	The Trivantus Director of Tax and Finance is required to sign off on a detailed checklist to facilitate the completion of all key finance and tax processes each day.	Inspected the daily tax and finance checklist for a sample of days to determine that the Director of Tax and Finance for Trivantus was required to sign off on a detailed checklist to facilitate the completion of all key finance and tax processes each day.	No exceptions noted.
9.2	As part of the Director of Tax and Finance's daily checklist, the Director of Tax and Finance performs a bank to Evolution payroll system general ledger (G/L) reconciliation each day before any funds are transferred to determine that the receipts and payments required for the prior day were either received or remitted.	Inspected the Bank to G/L per the Evolution payroll system reconciliation for a sample of days to determine that as part of the Director of Tax and Finance's daily checklist, the Director of Tax and Finance performed a bank to Evolution payroll system general ledger (G/L) reconciliation each day before any funds were transferred to determine that the receipts and payments required for the prior day were either received or remitted.	No exceptions noted.
9.3	Each day, after the daily bank to Evolution G/L reconciliation is performed, the Director of Tax and Finance sends the reconciliation to the Chief Executive Officer (CEO) and Vice President for a review of the daily funds activities.	Inspected the bank confirmation email sent to the CEO and Vice President for a sample of days to determine that each day, after the daily bank to Evolution G/L reconciliation was performed, the Director of Tax and Finance sent the reconciliation to the CEO and Vice President for a review of the daily funds activities.	No exceptions noted.
9.4	The New Client Routing Form requirements include utilizing a Client Setup Checklist that captures the specifics regarding a clients' payroll processing configuration which includes bank information and tax payment requirements.	Inspected the configurations of a sample of new clients implemented during the review period to determine that the New Client Routing Form requirements included utilizing a Client Setup Checklist that captured the specifics regarding a client's payroll processing configuration which included bank information and tax payment requirements.	No exceptions noted.

CONTROL AREA 9 TAX PAYMENTS AND FILING

Control Objective Specified by the Service Organization: Controls provide reasonable assurance that necessary tax payments and filings are performed accurately and timely.

Control Point	Control Activity Specified by the Service Organization	Test Applied by the Service Auditor	Test Results
9.5	During implementation, a tax setup form is sent to the Tax and Finance Department for verification of the client's tax information prior to the first payroll.	Inspected the tax setup form for a sample of newly implemented clients to determine that during implementation, a tax setup form was sent to the Tax and Finance Department for verification of the client's tax information prior to the first payroll.	No exceptions noted.
9.6	Trivantus verifies that the tax identification (id) number provided by the client is correct for tax reporting purposes. Trivantus accomplishes this by entering the client-provided tax id number and name into the Evolution EFTPS module which will send a transmission to the Federal Taxing agency to help ensure that the client's tax reporting entered will be for the correct name and id number recognized by the taxing authorities.	Inspected the EFTPS Verification form for a sample of clients implemented during the review period to determine that Trivantus verified that the tax identification (id) number provided by the client was correct for tax reporting purposes, and that Trivantus accomplished this by entering the client-provided tax id number and name into the Evolution EFTPS module which sent transmissions to the Federal Taxing agency to help ensure that the client's tax reporting entered would be for the correct name and id number recognized by the taxing authorities.	No exceptions noted.
9.7	Each day the Evolution payroll processing system will generate a Taxes Due and a Taxes Paid report that is reviewed each day as part of the daily Director of Tax and Finance checklist.	Inquired of the Director of Tax and Finance regarding the daily tax activities to determine that each day, the Evolution payroll processing system would generate a Taxes Due and a Taxes Paid report that was reviewed each day as part of the daily Finance and Tax Director checklist.	No exceptions noted.
		Observed the taxes due and taxes paid reports to determine that each day, the Evolution payroll processing system would generate a Taxes Due and a Taxes Paid report that was reviewed each day as part of the daily Director of Tax and Finance checklist.	No exceptions noted.

CONTROL AREA 9 TAX PAYMENTS AND FILING

Control Objective Specified by the Service Organization: Controls provide reasonable assurance that necessary tax payments and filings are performed accurately and timely.

Control Point	Control Activity Specified by the Service Organization	Test Applied by the Service Auditor	Test Results
9.8	Each day the Director of Payroll performs a daily funds reconciliation to determine that all ACH transmissions that Evolution has scheduled to occur for a day have transmitted.	Inspected the Daily Funds Reconciliation to determine that each day, the Director of Payroll performed a daily funds reconciliation to determine that all ACH transmissions that Evolution had scheduled to occur for a day had transmitted.	No exceptions noted.
9.9	Trivantus uses a third party ACH vendor to transfer funds and obtains authorization from clients to request that the third party ACH provider transfer funds from the clients' bank accounts for direct deposits, fees, and tax payments by receiving a signed banking authorization from the client.	Inspected a sample of new clients' banking authorization forms to determine that Trivantus used a third party ACH vendor to transfer funds and obtained authorization from clients to request that the third party ACH provider transfer funds from the clients' bank accounts for direct deposits, fees, and tax payments by receiving a signed banking authorization from the client.	No exceptions noted.
9.10	An alert is generated during the payroll process for payroll tax deposits exceeding \$100,000 to help ensure that Trivantus takes the steps necessary to prevent a late payroll tax deposit.	Inspected a sample alert for a payroll tax deposit exceeding \$100,000 to determine that an alert was generated during the payroll process for payroll tax deposits exceeding \$100,000 to help ensure that Trivantus takes the steps necessary to prevent a late payroll tax deposit.	No exceptions noted.



Founded in 2003, Trivantus is a leader in payroll services, employee benefits and human resource administration. Owned by the Gatsas family, Trivantus is no stranger to success. Michael Gatsas and his brother Ted Gatsas co-founded Staffing Network, a Professional Employer Organization which grew to be one of the largest employers in New England.

Trivantus has a reputation for providing leading personalized service and was voted Best Payroll Services Company by New Hampshire Business Review for many consecutive years. Our philosophy is based on employing relationships through excellent communication. We believe in true customer service and stand behind this commitment which is why our customer service representatives do not have voice mail. When you call Trivantus you receive the personalized attention you deserve.

Throughout the conversion process with Trivantus, you will work directly with Lindsay Joyce and Katrina Creighton. The conversion is done entirely by Trivantus, from setting-up employees to entering wage history so that employees only receive one W-2 at year end. We will also provide training until you are 100% comfortable with our software. The customer service representatives of Trivantus and its clients use the identical software which enables any of our employees to service you more effectively.





October 16, 2014

Diane Demers
Finance Director
Town of Allenstown
16 School Street
Allenstown, NH 03275

Dear Diane:

Enclosed, you will find the requested information for the proposal for payroll services, electronic time sheets, and electronic check stubs that was issued on September 22, 2014.

After careful review and consideration, we have provided pricing on all necessary products to meet your outlined goals.

If any questions arise, please feel free to contact me.

Thank you very much for the opportunity to prepare this proposal.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael J. Gatsas", written over a horizontal dotted line.

Michael J. Gatsas
President

20 MARKET STREET
MANCHESTER, NH 03101
TEL: 603.624.7788
FAX: 603.647.9911
WWW.TRIVANTUS.COM

October 16, 2014

Diane Demers
Finance Director
Town of Allenstown
16 School Street
Allenstown, NH 03275

Executive Summary

Dear Diane:

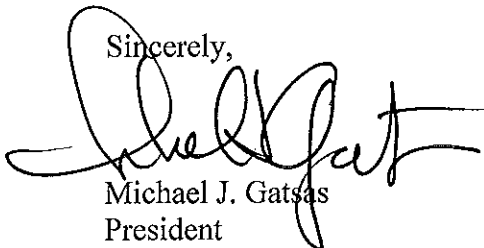
Processing payroll can be an overwhelming task for any size organization. There are many rules that govern how you process payroll. Knowing all of those rules inside and out is a job in of itself. Each year these rules seem to get more and more complex. As a payroll company, it is our job to take the time consuming task of payroll off your plate. Our organization is made up of highly qualified payroll professionals, as well as the best technology you can use today.

A majority of payroll companies will provide a software with very little training or support behind it. The experience can become counterproductive to the whole reason why you decided to outsource payroll in the first place. Trivantus is the solution for your payroll needs. We provide the best technology with a training program that is unmatched in our industry.

Our implementation process is another factor that differentiates Trivantus from our competition. Our implementation team will consult with you every step of the way until your account is setup. The input of all pertinent payroll data is done on our side, not yours. All customized fields will be approved by you, so when you first login to your software, the look and feel will meet your expectations.

The payroll industry is very competitive. A lot of people look at payroll services as a commodity with the differentiating factor being price. Although price is a big part of the decision, other factors such as technology, customer service, local ownership/operation, and training program should be evaluated. Trivantus has the total package that the Town of Allenstown is looking for.

Sincerely,



Michael J. Gatsas
President

20 MARKET STREET
MANCHESTER, NH 03101
TEL: 603.624.7788
FAX: 603.647.9911
WWW.TRIVANTUS.COM



October 16, 2014

Diane Demers
Finance Director
Town of Allenstown
16 School Street
Allenstown, NH 03275

Approach to Work

Dear Diane:

Trivantus approaches each client diligently to be sure all aspects of the payroll are setup to your specifications. Due to the customization of our product offering, your account is viewed by several managers prior to your first check date to ensure accuracy. We know if we set your account up correctly the first time, it will drastically reduce the chance of errors down the road.

Please see below for the approach to each service requested:

-Evolution (Payroll Software) and Employer Self-Service (ESS): The Trivantus Implementation Department will be responsible for all setup of your Evolution account. We will need employee demographics reports that include employee direct deposit information, a wage history report, and your Q1, Q2, Q3, Q4 941 and New Hampshire State Quarterly Reports. Once this information is in our software and verified, training sessions can be scheduled with all staff that will have access to Evolution. You have unlimited training sessions available to you, however we do not anticipate that you will need more than three.

- WebApps Time Keeping Software: Once a commitment to Trivantus is placed, a Statement of Work will be sent to Diane Demers that outlines the setup of the time keeping program. You will have full access to consult with our Implementation Department on completing this form. When the form is complete, we will begin the setup of the software and test all necessary components to make sure they work properly.

-BMSI Integration: The BMSI product is on our list of accounting programs that Evolution integrates with. However, this will need to be tested before we go live. In order for a test to take place, we would need a sample file from BMSI. If for some reason the test failed, we would look into a solution (i.e. a bridge) so you would be fully automated.

Sincerely,

A handwritten signature in cursive script that reads "Anthony Poole".

Anthony Poole
Director of Sales



October 16, 2014

Diane Demers
Finance Director
Town of Allenstown
16 School Street
Allenstown, NH 03275

Proposed Implementation Schedule

Dear Diane:

Keeping a schedule is very important to us. Please see below for the timeline (based on a bi-weekly payroll). This is subject to change at your discretion.

- Employee Demographics Needed: 11/17/2014
- Evolution Account Setup: 11/21/2014
- WebApps Account setup: 11/25/2014
- First Time Keeping Training: 12/3/2014
- Second Time Keeping Training: Supervisors Included: 12/8/2014
- Third Time Keeping Training: Supervisors Included: 12/12/2014
- Admin and Supervisors Train staff: 12/17/2014 – 12/19/2014
- First punch on new time keeping system: 12/21/2014
- First Payroll Training: 12/22/2014
- Second Payroll Training: 12/29/2014
- First Payroll Processed (Third Training): 1/7/2015
- First Check Date: 1/9/2015

Sincerely,

A handwritten signature in black ink that reads "Anthony Poole". The signature is written in a cursive, slightly slanted style.

Anthony Poole
Director of Sales

Client References

<u>Client Name</u>	<u>Person to Notify</u>	<u>Phone Number</u>
Bedford Ambulatory Surgical Center	Judi LaDuke	603-622-3670 (2004)
Advanced Concrete Technologies	Stefan Siegels	603-431-5661 (2007)
Print Savvy	Aleta Rousseau	603-656-9009 (2008)
Telephone & Network Technologies	Lisa Goodreau	603-668-4600 (2003)
Universal Steel Erectors	Heidi Gorman	603-529-5100 (2005)
Apple Companies (11)	Diane Gagne	603-621-0681 (2006)
Associated Radiologist	Karen Beaulieu	603-883-4636 (2009)
Scribe Software Corporation	Rich Noel	603-622-5109 (2007)
VNA of Middlesex East	Laurie Marcotte	781-224-3399 (2007)
Farm Design	Pamela Bridges	603-465-9800 (2006)
Best Fitness Companies	Linda Tsantoulis	603-204-5108 (2013)



The VNA o Middlesex East is a visiting nurse organization in Massachusetts. They would be a great reference for Trivantus because they currently use the Employee Self-Service platform (ESS), and just implemented the time keeping platform. Laurie will attest to the knowledge and work of our Implementation Department, and our all-around customer service approach.

Rich Noel, Controller of Scribe Software, is a great case for a conversion out of a large payroll company. When converting a large account from ADP or Paychex, it is important to keep the client informed as to where you are at with the transition. It is the fact that you get a live person every time you call why Rich will confirm our commitment to customer service.

Best Fitness is another great example of a large client conversion. Trivantus was up against the three largest payroll companies in the country. Linda and her team chose Trivantus because of our commitment to servicing them, as well as the technology that we bring to the table. Also, they are a user of our Employee Self-Service (ESS) platform.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
10/15/2014

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Wieczorek Insurance 166 Concord St. Manchester NH 03104		CONTACT NAME: Nicki Renaud PHONE (A/C No. Ext): (603) 668-3311 E-MAIL ADDRESS: nicki@wizinsurance.com FAX (A/C No.): (603) 668-8413	
INSURED Trivantus, Inc. P.O. Box 6655 Manchester NH 03108		INSURER(S) AFFORDING COVERAGE INSURER A: Peerless Indemnity INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:	
		NAIC # 18333	

COVERAGES CERTIFICATE NUMBER: CL142210556 REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDITIONAL SUBROGATION RIGHTS	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR		BOP3008652	2/27/2014	2/27/2015	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 4,000,000 PRODUCTS - COMPOP AGG \$ 4,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC					
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS		BOP3008652	2/27/2014	2/27/2015	COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Non-owned \$ 1,000,000
	UMBRELLA LIAB EXCESS LIAB DED RETENTION \$	<input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE				EACH OCCURRENCE \$ AGGREGATE \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N	N/A			WC STATUTORY LIMITS OTHER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	Employee Dishonesty		BOP3008652	2/27/2014	2/27/2015	Limit \$250,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

CERTIFICATE HOLDER Town of Allenstown Diane Demers 16 School Street Allenstown, NH 03275	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE Robert Wieczorek/DMD