

PROPOSAL TO PROVIDE
EXTERNAL AUDIT SERVICES
FOR THE

CITY OF KEY WEST, FLORIDA

FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2013, 2014, AND 2015 FOR THE
INITIAL CONTRACT PERIOD OF THREE (3) YEARS WITH THE OPTION OF
EXTENDING THE CONTRACT FOR EACH OF THE TWO (2) SUBSEQUENT FISCAL
YEARS.

RFP 007-13

BID OPENING DATE: WEDNESDAY, JUNE 26, 2013

BID OPENING TIME: 3:00 P.M.



GLSC & COMPANY, PLLC
certified public accountants

FEIN: 20-3157326

Contact Persons: Pablo R. Llerena, CPA – llerena@glsc CPA.com
Manuel M. Garcia, CPA – mmgarcia@glsc CPA.com

6303 Blue Lagoon Drive, Suite 200
Miami, Florida 33126-6205
Telephone: (305) 373-0123
Fax (305) 374-4415

CITY OF KEY WEST, FLORIDA

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GLSC & COMPANY, PLLC
certified public accountants

6303 Blue Lagoon Drive • Suite 200
Miami, Florida 33126-6025
(305) 373-0123 • (800) 330-4728
Fax (305) 374-4415
www.glscppa.com

June 25, 2013

Office of the City Clerk
City of Key West
3126 Flagler Avenue
Key West, FL 33040

GLSC & Company, PLLC ("GLSC") appreciates the opportunity to respond to the City of Key West, Florida (the "City") Request for Proposal (RFP) 007-13 to conduct the City's annual audit of its financial statements for a period of three (3) years beginning with an audit of the City's financial statements for fiscal year ending September 30, 2013, 2014, and 2015, with the option of auditing its financial statements for each of the two subsequent fiscal years.

GLSC fully understands the scope of the professional services and work products requested in this RFP. Our audit will follow auditing standards generally accepted in the U.S. of America as set forth by the American Institute of Certified Public Accountants, *Generally Accepted Government Auditing Standards*, issued by the Comptroller General of the United States, provisions of the Federal Single Audit Act Amendments of 1996, and the U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of State and Local Governments*, provisions of the Florida Single Audit Act, State of Florida Department of Financial Services regulations, Rules of the Auditor General of the State of Florida, and any other applicable federal, state or local laws or regulations. Our audit will include procedures to determine whether the operations of the City are properly conducted in accordance with legal, regulatory, grant and contractual requirements, including Florida Statutes, Federal Laws and the City Commission's policies and procedures. We will deliver our reports in accordance with those and your requirements.

GLSC is a medium-size South Florida professional Limited Liability Company licensed Certified Public Accounting firm based in Miami and have provided auditing services in South Florida for the past 30 years.

Last year, GLSC performed approximately 40 audits under Governmental Auditing Standards, including 27 Single Audits in excess of 7,500 hours of services for our governmental and nonprofit clients.

GLSC can assure the highest professional qualifications of the staff we will utilize for this engagement. In addition to our governmental focus, it is GLSC's policy that all professional employees earn more than the minimum CPE credits required for governmental audits.

June 25, 2013

Office of the City Clerk
City of Key West

GLSC have assisted all of our past and present clients participating in the GFOA Certificate of Achievement for Excellence in Financial Reporting Program (CAFR) to qualify for this award. We are proud to state that all of the financial statements we have reported in the certificate program have been awarded with the Certificate. GLSC commits to provide any assistance requested by the City of Key West, Florida to meet the requirements of that program.

GLSC has an impeccable reputation. We have never been involved in any litigation, proceeding or disciplinary action or been charged with or convicted of a public entity crime.

We strongly believe that we are the best qualified firm to perform this engagement because of our extensive experience, qualification, and impeccable reputation.

GLSC commits to perform the audit within your specified time period. In addition, we will hold progress reports with the Finance Department personnel and keep them informed of any findings throughout the entire audit process. We will discuss all significant findings with the appropriate City's personnel.

Our proposed all inclusive audit fees for this RFQ can be found on page 24.

We certify this proposal is made without previous understanding, agreement or connection either with any previous firms or corporations offering a Proposal for the same audit or with the City. We also certify our proposal is in all respects fair, without outside control, collusion, fraud, or otherwise illegal action, and were prepared in good faith. Only the person(s), company or parties interested in the project as principals are named in the proposal. GLSC has no existing or potential conflicts of interest and anticipates no conflicts of interest during the engagement. This proposal is a firm and irrevocable offer for a period no less than sixty (60) days after Wednesday, June 26, 2013, the closing date for all proposals.

Pablo Llerena, CPA and Manuel M. Garcia, CPA, Partners, are authorized to make representations for and to bind the firm. They can be reached at (305) - 373-0123. Their e-mail addresses are llerena@glscppa.com and mmgarcia@glscppa.com, respectively. Our Federal I.D Number is 20-3157326. Please do not hesitate to call if you have any questions about the information provided in this package.

Very truly yours,

GLSC & Company, PLLC



Pablo Llerena, CPA



Audit Proposal

1 General Requirements

GLSC agrees to address all points outlined in your request for proposal and adhere to the instructions for preparing and submitting the proposal.

By focusing our expertise on governmental and non-for-profit entities, we provide the highest level of financial and compliance auditing and consulting services to our Governmental and Non-for-Profit Sector Clients.

2 Independence

GLSC's partners and its employees are independent of the City of Key West, Florida and all component units as defined by auditing standards generally accepted in the United States of America and the U.S. General Accountability office's *Government Auditing Standards (GAS)*.

GLSC has never performed any professional services for the City of Key West or any of its component units.

Last year, GLSC performed:

- In excess of 7,500 hours of services to our Public Sector Clients
- 40 Audits under Governmental Auditing Standards (GAS)
- 27 Single Audits

GLSC currently provides auditing services to the following municipalities:

- City of Pembroke Pines
- City of Tamarac
- City of Margate
- City of Wilton Manors
- Town of Miami Lakes
- Village of Biscayne Park

3 License to Practice in Florida

GLSC is a properly registered/licensed State of Florida professional association, and our assigned key professional staff are properly registered/licensed to practice in the State of Florida and are qualified to perform governmental audits (ref. Appendix I).

We help all our clients implement any new GASB pronouncements and have assisted all our past and present clients participating in the GFOA Certificate of Achievement for Excellence in Financial Reporting Program (CAFR) to qualify for the award. We are proud to state that all of the financial statements we have reported in the certificate program have been awarded with the certificate.

4 Firm Qualifications and Experience

GLSC is an accounting firm (South Florida professional Limited Liability Company) providing comprehensive financial and compliance auditing, attestation, accounting and other management consulting and tax services.

The office of GLSC performing the audit is located at 6303 Blue Lagoon Drive, Suite 200; Miami Florida 33126-6025.

Audit Proposal

(Continued)

4 Firm Qualifications and Experience (Continued)

STAFF

GLSC has a total of 20 full-time employees, 17 professional staff, including 3 Partners and 14 professionals who specialize in providing auditing, accounting and consulting services to the Governmental and Non-for-Profit Sector.

GLSC will assign the following engagement team members on a full time basis to the City's audit:

- 1 Partner
- 1 Audit Manager
- 1 Supervisor/Senior Associate
- 2 Audit Associates
- 5 Total Engagement Team

A concurring review and advisory partner will assist the Engagement Partner on as needed basis.

National Firm Resources With Local Firm Personalized Service Philosophy

With the equally important goals of serving our clients' best interest while remaining locally owned and autonomous, our firm has chosen to be affiliated with BKR International. BKR International is an association of independent CPA firms that provides a worldwide network of accounting and business advisors from 150 accounting firms in 70 countries. This affiliation gives us access to 60 CPA firms in the United States with expertise in governmental accounting, auditing and information technology.

Quality Control and Review

GLSC participates in an external quality review program requiring an on-site independent examination of our accounting and auditing practice. GLSC has consistently received an unqualified opinion on the quality of our audit practice, including our firm's most recent external quality control review (for the year ended June 30, 2010). See copy of the report on the firm's most recent quality review in Appendix II. Note: our firm's quality control review included a review of specific governmental engagements.

In addition to scheduled Peer Reviews, our firm continually monitors performance to ensure the highest quality of services. Under the supervision of the Audit Partners, an Audit Manager is responsible for monitoring quality control of all appropriate engagements.

Results of State and Federal Reviews

All state and federal reviews of the firm's reports and audit documentation have been accepted without change or revision to issued reports.

GLSC, its partners and its employees, have an impeccable reputation.

GLSC have never been involved in any litigation, proceeding or disciplinary action or been charged with or convicted of a public entity crime.

Compliance with Government Education Requirements

In order to maintain our high level of technical competence, we provide continuing professional education programs for all partners and professional staff members which exceed national and state standards. **All of the audit professionals of GLSC exceed the education requirements as set forth in Government Auditing Standards, published by the Comptroller General of the United States.**

Memberships

All of the firm's CPA's are properly licensed as CPA's and members in good standing of both the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants or other State Society. In addition, certain firm professionals are members of the following professional groups:

- ◆ Government Finance Officers Association
- ◆ BKR International Committee on Governmental and Non-Profit Accounting and Auditing
- ◆ Government Finance Officers Association Special Review Committee

Audit Proposal

(Continued)

5 Partner, Supervisory and Staff Qualifications and Experience

Engagement Partner –

The engagement will be performed under the direct supervision of an Engagement Partner. The Engagement Partner has direct responsibility for engagement policy, direction, supervision, quality control, security and communication with City personnel. The Engagement Partner will be responsible for the quality control, supervision and confidentiality of information of the engagement and will participate extensively during the various stages of the engagement. **He will attend meetings, respond to telephone calls and respond to specific inquiries on a day-to-day basis as primary point of contact.**

He will also be involved in:

- Coordinating all services to the City;
- Directing the development of the overall audit approach and plan.
- Performing an overriding review of work papers.
- Resolving technical accounting and reporting issues.
- Reviewing, approving and signing reports, management letters, and other audit engagement products.
- Supervising staff.
- Ensuring the City is pleased with all aspects of our engagement, such as services and the personnel assigned;
- Leading meetings and discussions with key management personnel.
- Meeting with governing board to present audit reports.

PABLO R. LLERENA, CPA will be the Engagement Partner. Mr. Llerena has extensive experience in governmental audits, and has performed governmental audits for the **last 32 years**. He will devote a substantial part of his time to the completion of the work.

Audit Manager –

The Audit Manager will work closely with the Engagement Partner. He will be responsible for the overall review of the work and compliance with the firm's quality control standards and regulatory compliance requirements. He will ensure that the financial statements and all other reports are prepared in accordance with professional standards and firm policy.

He will be responsible for all phases of the fieldwork and he will be:

- Supervising staff.
- Planning the audit.
- Preparing or modifying audit programs, as needed.
- Evaluating internal control and assessing risk.
- Reviewing audit documentation for compliance with audit requirements and completeness.
- Communicating with the City and the Engagement Partner the progress of the audit.
- Reviewing financial statements and all reports issued by the firm for accuracy, completeness and that they are prepared in accordance with professional standards and firm policy.

WILBERT SANTOS a CPA licensed by the State of California will be the Audit Manager. Mr. Santos was selected because of his experience in governmental and local government audit engagements. He will devote a substantial part of his time to the completion of the work. He has performed public sector audits for 9 years.

Audit Proposal

(Continued)

5 Partner, Supervisory and Staff Qualifications and Experience (Continued)

SUPERVISOR/SENIOR ACCOUNTANT

A Supervisor/Senior Accountant will be assigned full-time to the engagement. The Supervisor/Senior accountant will perform complex audit procedures and assist the Engagement Partner and Manager in the actual performance of the engagement.

SHERRY WALKER, CPA will be the Supervisor / Senior Accountant. Mrs. Walker was selected because of her ability and experience performing governmental audit. She is well versed in the uniqueness of Governmental audits and will devote 100% of her time to the completion of the work.

Concurring Review and Advisory Partner

A Concurring Review and Advisory Partner will assist the Engagement Partner and be available as a sounding board to advice in those areas where problems are encountered. He will perform a second review of all reports to be issued by GLSC, and will also be available in those instances in which the Engagement Partner is not available.

MANUEL M. GARCIA, CPA will be the Concurring Review and Advisory Partner. Mr. Garcia has been involved in performing governmental audits for **39 years**, and is the Concurring Review and Advisory Partner of all the governmental audits of the firm. He is responsible for the firm-wide audit practice and the allocation of firm resources to meet the needs of clients.

**GLSC's AUDIT MANAGEMENT TEAM
MEMBERS' YEARS OF
GOVERNMENTAL AUDITING
EXPERIENCE**

PABLO LLERENA, CPA - (Engagement Partner):
**32 YEARS OF TOTAL GOVERNMENTAL
AUDITING EXPERIENCE.**

MANUEL M. GARCIA, CPA - (Concurring
Partner):
**39 YEARS OF TOTAL GOVERNMENTAL
AUDITING EXPERIENCE.**

**WILBERT SANTOS (CPA Licensed by
the State of California)** - (Audit Manager):
**9 YEARS OF TOTAL GOVERNMENTAL
AUDITING EXPERIENCE AND A TOTAL
OF 14 YEARS AUDITING EXPERIENCE.**

SHERRY WALKER, CPA -
(Supervisor/Senior Accountant)
**6 YEARS OF TOTAL GOVERNMENTAL
AUDITING EXPERIENCE.**

**86 TOTAL YEARS, GOVERNMENTAL
AUDITING EXPERIENCE**

Audit Proposal

(Continued)

5 Partner, Supervisory and Staff Qualifications and Experience (Continued)

CONTINUITY OF STAFF AND AUDIT TEAM

GLSC's engagement team's workload is organized in such a way that additional activities brought about by this engagement will not impact our current commitments to our clients. We have sufficient staff capacity to integrate

these professional services for the City into our present operations, while continuing to maintain the highest standards of quality and time lines for our clients. *The Manager and Senior Accountant will devote a substantial part of their time to performing the City's audit engagement.*

Quality of the Staff over the Term of the Engagement

The Engagement Partner and Audit Manager will be designated "**KEY**" MEMBERS. **We pledge to the City they will be returned to the audit each year of the engagement.** *In the unlikely event that it does become necessary to replace any of the Partners, Manager or Senior Accountant, we will first obtain the City's express prior written permission to do so. We understand the City's right to accept or reject replacements.* In addition to the engagement team members proposed herein, we also have other, well-qualified professionals who stand ready to serve the City's needs, if required.

GLSC can assure the highest professional qualifications of the staff we will utilize for the City's engagement.

In addition to our governmental focus, it is GLSC's policy that all professional employees earn more than the minimum CPE credits required for governmental audits. Further, because we are a growing firm, we have an ongoing recruitment program that seeks only those accountants with a proven record of academic success. When we recruit at the senior and manager level, we select accountants with proven governmental accounting and auditing experience.

Audit Proposal

(Continued)

5 Partner, Supervisory and Staff Qualifications and Experience (Continued)

PABLO R. LLERENA, CPA

e-mail: llerena@glscppa.com

Position

Engagement Partner

Education

Bachelor Degree, Business Administration, 1980
Florida International University

Professional History

- CPA, in Florida since 1982, Certificate No. 10158
- Partner of GLSC and predecessor firms since 1995
- Audit manager, senior accountant and staff of GLSC and predecessor firms from 1983 to 1995
- Staff with local accounting firm, 1980 to 1982

Clients Served

Mr. Llerena is the lead partner for all the governmental audits of the firm. A partial list of governmental and non-for-profit audit clients served follows:

- City of Tamarac (10 years)
- City of Margate (7 years)
- City of Pembroke Pines (6 years)
- City of Wilton Manors (3 years)
- Village of Biscayne Park (5 years)
- Town of Miami Lakes (9 years)
- City of Oakland Park (5 years)
- City of Dania Beach (2 years)
- City of Lauderdale Lakes (3 years)
- City of Lauderhill (5 years)
- City of Miami Springs (2 years)
- Town of Southwest Ranches (5 years)
- City of South Miami (2 years)
- City of Sweetwater (5 years)
- City of West Miami (5 years)
- North Broward Hospital District – Joint Venture (2 years)

- Miami-Dade County School Board – Joint Venture (10 years)
- Miami-Dade County – Joint Venture (5 years)
- Downtown Development Authority of the City of Miami (9 years)
- Housing Authority of the City of Miami Beach (5 years)
- Broward County School Board – Joint Venture (2 years)
- Broward County Housing Authority (4 years)
- Hialeah Housing Authority (2 years)
- Tampa Housing Authority (2 years)

Professional Education

Educational courses taken during the last three (3) years:

<u>Course</u>	<u>Hours</u>
Government Accounting and Auditing	112
Accounting and Auditing and other	<u>24</u>
	<u>136</u>

Professional Associations

- Member, American Institute of Certified Public Accountants
- Member, Florida Institute of Certified Public Accountants
- Member, Florida Government Finance Officers Association
- Member, Government Finance Officers Association
- Member, Cuban American Certified Public Accountants Association

Audit Proposal

(Continued)

5 Partner, Supervisory and Staff Qualifications and Experience (Continued)

MANUEL M. GARCIA, CPA
e-mail: mgarcia@glsc CPA.com

Position

Concurring/Advisory Partner

Education

Bachelor of Science, Majoring in Accounting, 1970,
Florida Atlantic University

Professional History

- CPA, in Florida since 1976, Certificate No. 5784
- Partner of GLSC and predecessor firms since 1983
- Owner of local practice, 1975 to 1982
- Staff for national accounting firm, 1971 to 1974

Clients Served

Mr. Garcia is the client service / advisory partner on several governmental audits. A partial list of governmental and non-for-profit audit clients served follows:

- City of Tamarac (10 years)
- City of Margate (7 years)
- Town of Miami Lakes (7 years)
- City of Miami Springs (2 years)
- City of Lauderdale Lakes (3 years)
- City of Oakland Park (5 years)
- City of Dania Beach (2 years)
- Miami-Dade County School Board – Joint Venture (10 years)
- Downtown Development Authority of the City of Miami (9 years)
- Housing Authority of the City of Miami Beach (5 years)
- Broward County Housing Authority (4 years)
- Broward County School Board – Joint Venture (2 years)

Professional Education

Educational courses taken during the last three (3) years:

<u>Course</u>	<u>Hours</u>
Government Accounting and Auditing	104
Accounting and Auditing and other	30
	<u>134</u>

Professional Associations

- Member, American Institute of Certified Public Accountants
- Member, Florida Institute of Certified Public Accountants
- Member, Cuban American Certified Public Accountants Association
- Member, Association of Certified Fraud Examiners
- Ex-member and former Chairman of the Board of Governors of the Florida Joint Underwriters Association
- Ex-member of the Audit Committee of Miami-Dade County School Board
- Ex-Chairman of the Audit Committee of the City of Miami

Audit Proposal

(Continued)

5 Partner, Supervisory and Staff Qualifications and Experience (Continued)

WILBERT SANTOS

e-mail: wsantos@glsc CPA.com

Position

Audit Manager

Education

Bachelors of Science, Accounting, 1994, Angeles University Foundation

Professional History

Passed the CPA exam and is licensed by the State of California
Senior Accountant to Manager of GLSC since 2004
5-years experience from Staff to Senior Accountant
Pricewaterhouse Coopers

Clients Served

A partial list of governmental and non-for-profit audit clients served follows:

- City of Tamarac – (9 years)
- City of Margate – (7 years)
- City of Pembroke Pines – (3 years)
- City of Wilton Manors – (3 years)
- Village of Biscayne Park – (2 year)
- Town of Miami Lakes – (7 years)
- City of Lauderdale – (2 years)
- City of Oakland Park – (1 year)
- Broward County School Board – Joint Venture (5 years)

Continuing Professional Education

Educational courses taken during the last three (3) years:

<u>Course</u>	<u>Hours</u>
Accounting and Auditing and other	<u>154</u>

Professional and Business Affiliations

- American Institute of Certificate Public Accountant
- Associate Member, Florida Institute of Certificate Public Accountant
- Member, Florida Government Finance Officers Association
- Member, Government Finance Officers Association Special Review Committee

Audit Proposal

(Continued)

5 Partner, Supervisory and Staff Qualifications and Experience (Continued)

SHERRY WALKER, CPA

e-mail: swalker@glsc CPA.com

Position

Senior Accountant

Education

Masters Degree, Taxation, 2008
Florida International University
Bachelors Degree, Accounting, 2007
Barry University

Professional History

Certified Public Accountant, State of Florida
Senior Auditor at GLSC since 2010 to present
Staff Auditor at GLSC since 2007

Clients Served

A partial list of governmental and non-for-profit audit clients served follows:

- City of Margate (4 years)
- City of Wilton Manors – (3 years)
- City of Tamarac (3 years)
- Town of Miami Lakes (2 years)
- City of Pembroke Pines (2 years)
- City of Oakland Park (4 years)
- City of Pembroke Pines Charter (4 Schools)(6 years)
- Jose Maria Vargas University
- Broward County Housing Authority – Joint Venture (1 year)
- School Board of Broward County – Joint Venture (5 years)
- Coral Bay Community Development District (3 years)
- Downtown Miami Charter School (4 years)
- Youth Co-Op Charter School (1 year)
- North Broward Hospital District – Joint Venture (2 years)

Continuing Professional Education

Educational courses taken during the last three (3) years:

<u>Course</u>	<u>Hours</u>
Accounting, Auditing and others	<u>125</u>

Professional Associations

- Member, Florida Institute of Certified Public Accountants
- Member, Florida Government Finance Officers Association

Audit Proposal

(Continued)

5 Partner, Supervisory and Staff Qualifications and Experience (Continued)

JORGE ESPINOSA

e-mail: jespinosa@glsc CPA.com

Position

Information Technology Manager

Education

Masters Degree, Information Technology, 2006
Barry University

Bachelor Degree, Information Technology, 2004
Barry University

Certifications

MCSE, MCP+I, MCDBA, MCSA: Messaging A+, N+, Server+, Security +, CEH, CCNA, CXE Xitech SAN Engineer, As400 Operator/Security

Professional History

Mr. Espinosa has over 16 years of professional experience in designing, administrating and supporting complex integrated information system. He has proven to have the ability to identify the system's key controls that needs to be evaluated and finds opportunities to implement computer assisted audit techniques. Mr. Espinosa has provided consulting assistance to clients in almost every industry.

Professional Staff Training

Partners - All of our Partners are CPA's and have in **excess of 30 years** of diversified public accounting experience. They are responsible for overall engagement performance, policy, direction and quality control. They have **far exceeded minimum CPE requirements**.

Managers - Our Managers are CPAs and have a **minimum of 10 years** of diversified public accounting experience. They have demonstrated ability to plan audit engagements, supervise personnel and maintain frequent contact with clients. They continually upgrade their skills through the firm's continuing education programs and courses sponsored by the AICPA, FICPA and GFOA. They have **far exceeded minimum CPE requirements**.

Senior Accountants - All of our Senior Accountants have a **minimum of 4 years** of diversified public accounting experience. They perform audits, evaluate staff, review findings and prepare audit reports. They possess the potential for upward mobility. They have **far exceeded minimum CPE requirements**.

6 PRIOR ENGAGEMENT WITH THE CITY OF KEY WEST

GLSC has never performed any professional services for the City of Key West, Florida.

Audit Proposal

7 Similar Engagements with Government Entities

We have included below, ranked in total staff hours, five municipal audit engagements requiring compliance with laws, regulations, contracts and grants; follow fund accounting requirements; some of the municipalities have charter schools, capital projects, financing requirements, enterprise funds, pension trusts and Single Audits which we believe are similar to the City of Key West, Florida.

CLIENT INFORMATION	Years Served	Audit Hours
<p><i>City of Pembroke Pines</i></p> <p>CAFR, Financial Audit, Governmental Audit, Charter Schools, Federal and State Single Audit, Utility Audit, Pension audit Years Served: Since 2010; (2004-2009 Joint Venture) Contact: Rene Gonzalez, Finance Director (954)-435-6525 Partners: Pablo R. Llerena Manuel Garcia</p>	6	1,200
<p><i>City of Tamarac</i></p> <p>CAFR, Financial Audit, Governmental Audit, Federal and State Single Audit, Utility Audit, Pension Audit Years Served: Since 2002 Contact: Mark Mason, Finance Director (954) 597-3500 Partners: Pablo R. Llerena Manuel Garcia</p>	10	1,000
<p><i>City of Margate</i></p> <p>CAFR, Financial Audit, Governmental Audit, Federal and State Single Audit, Component Units Audit, Utility Audit Years Served: Since 2006 Contact: Gail Gargano, Finance Director (954) 935-5353 Partners: Pablo R. Llerena Manuel Garcia</p>	7	800
<p><i>Town of Miami Lakes</i></p> <p>Financial Audit, Governmental Audit, CAFR Years Served: Since 2001 Contact: Alex Rey, Town Manager (305) 364-6100 Partners: Pablo R. Llerena Manuel Garcia</p>	11	300
<p><i>City of Wilton Manors</i></p> <p>CAFR, Financial Audit, Governmental Audit, Federal and State Single Audit, Utility Audit Years Served: Since 2010 Contact: Bob Mays, Finance Director (954) 390 - 2144 Partners: Pablo R. Llerena Manuel Garcia</p>	3	350

Audit Proposal

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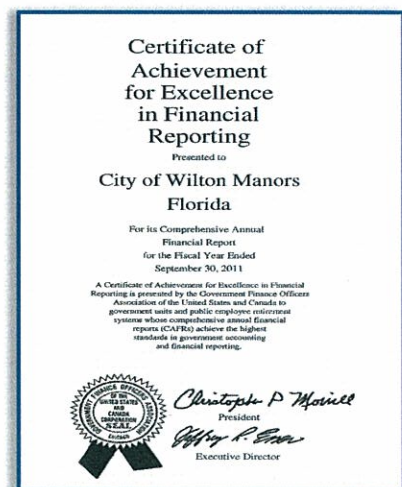
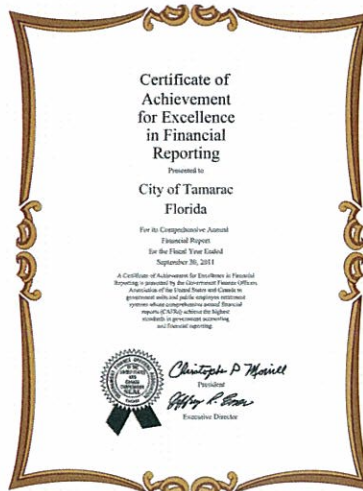
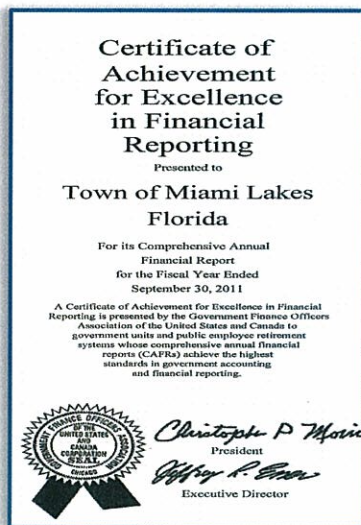
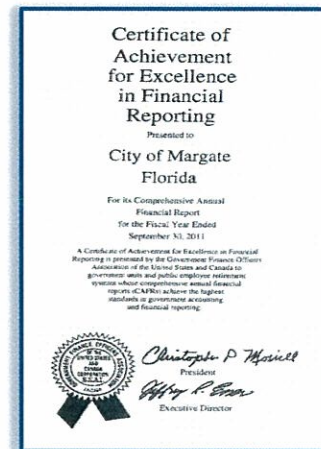
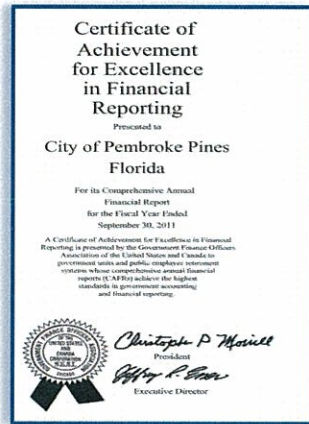
7 Similar Engagements with Government Entities

GLSC have assisted all of our past and present clients participating in the GFOA Certificate of Achievement for Excellence in Financial Reporting Program (CAFR) to qualify for this award. We are proud to state that all of the financial statements we have reported in the certificate program have been awarded with the Certificate. GLSC commits to provide any assistance requested by the City of Key West, Florida to meet the requirements of that program.

Copies of the CAFR issued by each municipality can be obtained from their website, links are provided below:

City of Pembroke Pines
City of Tamarac
City of Margate
City of Wilton Manors
Town of Miami Lakes

www.ppines.com/finance/
www.tamarac.org
www.margatefl.com/finance/
www.wiltonmanors.com
www.miamilakes-fl.com



Audit Proposal

(Continued)

8 Specific Audit Approach

SCOPE / WORK PRODUCTS / RESULTS

Understanding of Work Product / Scope of Services:

We recognize the City of Key West, Florida is an important entity in Monroe County and its responsibilities create a challenging and dynamic organization. We are confident our firm is qualified to meet the challenges of this engagement and deliver quality audit services to the City. *The City of Key West would be a valued client of our firm and we pledge to commit all firm resources to provide the level and quality of services (as described below) which both fit the City's needs and exceed the City's expectations.*

GLSC will perform an audit of the government-wide financial statements and related governmental funds financial statements of the City for the fiscal year ending September 30, 2013, 2014, and 2015, in order to express an opinion on the fair presentation of the City's general purpose financial statements in conformity with accounting principles generally accepted in the United States of America. Our audit will be conducted under auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; Rules of the Florida Auditor General, the provisions of the Federal Single Audit Act, the Florida Single Audit Act, the provisions of the U.S. Office of Management and Budget (OMB) Circular A-133, Audit of State and Local Governments, State of Florida Department of Financial Services and any other applicable federal, state and local laws and regulations. Our audit will include procedures to determine whether the operations of the City are properly conducted in accordance with legal, regulatory, grant and contractual requirements, including Florida Statutes, Federal Laws and the City Commission's policies and procedures.

We will provide an "in relation to" report on the combining and individual fund financial statements and the Schedule of Expenditure of Federal Awards and State Financial Assistance based on the auditing procedures applied during the audit of the general-purpose financial statements, and perform certain limited procedures involving required "Management's Discussion and Analysis" and supplementary information required by the Governmental Accounting Standards Board.

In addition, we will also:

- Determine the financial report the City filed with the Florida Department of Financial Services is in agreement with the financial statements for each fiscal year.
- Assist the City in complying with the requirements of the Florida Auditor General regarding the City's assessment of its financial condition.
- Prepare a management letter pursuant to the requirements of the Auditor General of the State of Florida.
- Assist with the preparation of schedule of state and federal awards.
- Assist with the preparation of the Comprehensive Annual Financial Report (CAFR).
- Issue a "consent and citation of expertise" as the auditor and any necessary "comfort letters" if requested by the fiscal advisor and/or the underwriter on new bond issuance.
- Issue an "agreed upon procedures" reports as required by the Florida Department of Transportation Section 5311 grant program requirements and Florida Department of Transportation Public Transit Block Grant program requirements.

Audit Proposal

(Continued)

8 Specific Audit Approach (Continued)

The firm will comply with the time schedule required by the City related to interim work, audit plan, field work and drafting the report. We will issue the following reports in accordance with applicable rules and standards:

- Report on an audit of the financial statements conducted in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.
- Report on Internal Control over Financial Reporting and Compliance and Other Matters based on an audit of Financial Statements in Accordance with Government Auditing Standards.
- Report on Compliance and Internal Control over Compliance Applicable to each Major State and Federal Programs in accordance with OMB Circular A-133 and Florida Single Audit Act, if applicable.
- Management Letter required by Section 10.554(g) and Chapter 10.550 of the Rules of the Auditor General of the State of Florida.
- Schedule of Findings and Questioned Costs.

In the required reports on internal controls, the auditor shall communicate any deficiencies found during the audit. A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Deficiencies discovered by the auditors shall be reported in the management letter required by Florida Statutes which shall be referred to in the report on compliance and on internal control.

Our approach to developing the report on our findings is particularly important given the increasing financial pressures and public scrutiny facing today's public officials. Our report will include pertinent findings, cause, effect, recommendations for improvement, and suggestions for recommended implementations, as appropriate. It will also include written response from management.

We will make suggestions to improve the City's performance, procedures, and controls.

Any recommendations for operational improvement will be reasonable and constructive. If your management has already identified a relevant issue, our report will reflect this fact. To ensure full agreement with the circumstances, we will fully discuss each item with the appropriate City personnel prior to the final exit conference. We will discuss pertinent issues only after preliminary communication with the responsible City personnel. This policy means there will be no "surprises" in the report and fosters a professional, cooperative atmosphere.

Because we wish to assist you in identifying and solving problems before they become critical, we will provide feedback on more than just the items identified in the report. Our report will communicate significant deficiencies or other instances of non-compliance and will also recommend suggestions for improving operational efficiency including decreasing costs, improving management information effectiveness, protecting assets, etc.

We will immediately report all irregularities and illegal acts or indication of illegal acts to the Director of Finance, City Manager, and the City Commission.

Audit Proposal

(Continued)

8 Specific Audit Approach (Continued)

AUDIT APPROACH

Our approach to the audit engagement integrates the best of traditional auditing techniques and a total systems concept. We will consider the methods used by the City to process accounting information when planning our audit, since they influence the design of the internal control. The audit will be conducted in three phases, which are as follows:

Phase I – Risk Assessment (Planning Stage)

A thorough understanding of your organization, service objectives and its operating environment is essential for the development of an audit plan and for an efficient, cost-effective audit. During this phase, we will meet with appropriate personnel to obtain and document our understanding of your operations and service objectives and, at the same time, give you the opportunity to express your expectations with respect to the services that we will provide. Our work effort will be coordinated so that there will be minimal disruption to your staff.

During this phase we will perform the following activities:

- Review the regulatory, statutory and compliance requirements within which the City operates. This will include a review of applicable laws, grant requirements, state statutes, resolutions, debt instruments, contracts, other agreements, and minutes of meetings of the City Commission.
- Review audit documentation of prior year auditor.
- Review major sources of information such as budgets, organization charts, procedures, manuals, financial systems, and management information systems.
- Obtain and document an understanding of the design and implementation of the City's internal control.

- Consider the methods that the City uses to process accounting information which influence the design of the internal control. This understanding includes knowledge about the design of relevant policies, procedures, and records, and whether they have been placed in operation by the City.
- Assess risk.
- Determine what controls we are to rely upon, perform walkthrough documentation and test the operating effectiveness of controls if considered necessary.
- Develop audit programs to incorporate the consideration of financial statement assertions, specific audit objectives, and appropriate audit procedures to achieve the specified objectives.
- Identify and resolve accounting, auditing, and reporting matters.
- Inquiries of the program administrator of the governmental entities that provided grants about restrictions, limitations, terms and conditions under which such grants were provided including review of the OMB Circular A-133 Compliance Supplement and the Florida Single Audit Act, if applicable.

A detailed audit plan and list of all schedules to be prepared by the City will be provided by end of October for each yearly audit.

Phase II - Perform Audit Plan (Field Work Stage)

The audit team will complete a major portion of transaction testing and audit requirements during this phase. The procedures performed during this period will enable us to identify any matter that may impact the completion of our work or require the attention of management.

Tasks to be performed in Phase II include the following:

- Perform substantive tests of account balances and transactions. Samples will be drawn of major transaction systems, including cash expenditures and procurement.

Audit Proposal

(Continued)

8 Specific Audit Approach (Continued)

Phase II - Perform Audit Plan (Field Work Stage) (Continued)

- Perform tests of compliance with laws, regulations, contracts, bonds, and grants.
- Analytical procedures are applied in this phase to corroborate the specific account balances.
- Review test results and preliminary conclusions.

Year-end field work will begin as soon as the City's accounting records are closed for the year and we will start on first week of January, if the City is ready.

Phase III - Completion and Delivery (Reporting Stage)

In this phase of the audit, we will complete the tasks related to the closing of year-end balances and financial reporting. This will include final testing in the areas of compliance, balance sheet accounts, revenue and expenditures, among others. All reports will be reviewed with management before issuance, and the partners will be available to meet with the City Commission to discuss our report and address any questions they may have.

A draft and recommendation to Management will be submitted to the City during February of each year. We will discuss all significant findings with the appropriate City's personnel. An exit conference will be held with the Finance Director, key Finance Department personnel and the City Manager before the final report is issued. The final report will be prepared as soon as the draft report has been reviewed by Management and will be issued by first week of March of each year. We will attend the next City Commission meeting to discuss the report and make a final presentation.

Year Round Involvement

We will provide period reports throughout the year assessing the impact of any significant regulatory changes; i.e. accounting or reporting developments proposed and/or adopted by Government Accounting Standards Boards/ Financial Accounting Standards Board or any other significant financial/accounting matters that may affect the City.

Communications

We emphasize a continuous, year-round dialogue between the City and our management team. We will schedule periodic progress meetings in addition to the entrance, interim and exit conference. During these meetings, City's personnel may inform us of their concerns, and we can draw upon our extensive experience with local government operations to offer the appropriate advice and counsel. We believe this continuous, open communication is critical to serving your needs.

In addition, we will be involved through the entire year, at no extra cost, to communicate new developments and changes occurring in the governmental sector.

**INVOLVED
THROUGHOUT
THE ENTIRE YEAR
AT NO
EXTRA COST**

Audit Proposal

(Continued)

8 Specific Audit Approach (Continued)

LEVEL OF STAFF

To achieve the proper balance between the ability to recognize problems and the cost in performing the services, a significant portion of the engagement will be performed by our Management Team. We emphasize utilizing our highest experienced personnel because of their experience, training and education and corresponding abilities to recognize problems and deal with them expediently.

	Partner	Manager	Senior	Staff
	% in number of hours per segment			
Phase I – Risk Assessment	20%	50%	30%	
Phase II – Perform Audit Plan	10%	30%	30%	30%
Phase III – Report and Delivery	30%	50%	20%	

Detailed analysis of level of staff and number of hours assigned to each proposed segment of the engagement is presented as Appendix IV.

SAMPLE SIZE AND STATISTICAL SAMPLING

Our professionals will utilize sampling methodologies designed to ensure effective audit procedures are applied in the most efficient manner.

Sampling Techniques

We will utilize representative audit sampling procedures with respect to tests of transactions and tests of controls, where a sample of documentation is to be tested as the principal evidence of a control. During tests of controls, the tests will generally consist of a combination of corroborative inquiry and either observation, examination of documents or re-performance. We will use attribute sampling to test documentary evidence as documentation will be the prime corroborative evidence of identified controls.

Statistical and Non-statistical Sampling

Tests of transactions and tests of controls can be performed using either statistically or non-statistically based techniques. Statistical approaches will be based on our calculation of risk factors. If a non-statistical approach is deemed appropriate, we will design our procedures to obtain levels of assurance that we judge to be equivalent to those required when using statistically based techniques.

Sample Sizes

For tests of controls, sample size will be based on the planned or supported assessed level of control risk and the number of planned or actual deviations expected. For transactions test work, sample size will be a function of population, materiality, and risk factors.

USE OF EDP SOFTWARE IN THE PROJECT

We are actively committed to using computer-based audit techniques. Our knowledge of information systems (IS) and the use of personal computers yield significant savings in the time required to complete an audit.

Today's marketplace provides firms, large and small, national and local, with sophisticated computer-aided audit tools necessary to perform data analysis and report generation. Software products, such as Audit Command Language (ACL) for Windows, are used to analyze data and produce reports.

A client's IS environment influences the nature, timing, and extent of planned auditing procedures. Because most of our clients utilize computerized accounting systems, our professional team is experienced with various IS systems. As computers have become more integral to the financial management system, we have met the challenge by incorporating new audit techniques into the audit process. Staff members are trained on new software and are skilled in a wide variety of computerized applications.

Audit Proposal

(Continued)

8 Specific Audit Approach (Continued)

USE OF EDP SOFTWARE IN THE PROJECT

(Continued)

Each member possesses their own laptop computer equipped with pertinent audit-related software. We will utilize Prosystem FX for Windows, ACL for Windows, database programs and spreadsheet applications for auditing purposes.

An important component of our audit is the review of IS general controls. We understand that the effectiveness of many client control procedures is dependent on reliable computer-generated data which result from proper IS general controls. Therefore, we will analyze these controls to determine the adequacy of the internal control environment.

Our IS expertise, combined with extensive auditing and consulting experience means that we understand the technical intricacies of complex information systems in the context of real-world application.

Utilizing this expertise we will be able to:

- Evaluate IS general controls within the computer environment.
- Document critical transaction processing systems.
- Identify key processes and controls within these transaction processing systems;
- Evaluate the effectiveness of identified controls.
- Advise the audit team on results of the evaluation and effect on planned audit procedures.
- Design, develop and execute computer-assisted audit techniques using computer audit software packages.
- Assess the internal controls.
- Document and evaluate computer environment and assess internal controls of the Information Technology Department that are significant to financial reporting process.

ANALYTICAL PROCEDURES

Statement of Auditing Standards on *Analytical Procedures* provides guidance on the use and extent of analytical procedures in all audits. Analytical procedures are required in the planning and overall review stages of the audit, and are used in the following areas:

Audit Planning

Analytical procedures can provide great insight in planning an audit. These analyses can enhance our understanding of the City's transactions and events that may have occurred during the year under audit. We compare the current balances to the prior year and to the current budget. Isolating significant differences can identify areas that may require additional attention during the field work. For example, such a review could identify a new revenue source for which we would need to obtain documentation supporting the authority for collecting such monies.

Substantive Tests

Analytical procedures can be used as effective substantive tests in certain circumstances, for example, testing certain payroll related expenditures, such as payroll taxes, which are a specific percent of wages.

Overall Review

Analytical procedures used at the conclusion of the audit are designed to assess the conclusions reached and evaluate the overall financial statement presentation.

Audit Proposal

(Continued)

8 Specific Audit Approach (Continued)

INTERNAL CONTROLS

The internal control segment is the foundation for the entire audit and involves an extensive understanding and evaluation of the City's operating and management information systems and all related internal controls. The results of this evaluation will influence the nature, timing and extent of our substantive audit procedures. This approach ensures that we achieve maximum efficiency and provides valuable feedback to management regarding the effectiveness of controls being relied upon throughout the year.

A thorough understanding of the internal control structure of an organization is critical in planning our audit procedures and providing useful comments and recommendations to the City. GLSC utilizes a standardized control overview document which assists us in identifying key elements within internal control, such as the entity's risk assessment process, the control environment, information and communication systems, and general monitoring and control activities.

- Our evaluation of internal control includes considering the individual components noted above and then considering the effectiveness of internal control as a whole. We will obtain our understanding of each of the elements through the following procedures:
- Meeting with the City personnel to discuss operations.
- Reviewing internal assessment of internal control.

The control overview document helps to ensure that all elements of internal control are considered.

Subsequently, for significant internal control structure categories, we will obtain an understanding of the design of relevant policies and procedures, determine whether such procedures have been placed in operation and assess control risk. This review begins by holding interviews with data processing and accounting personnel and evaluating your internal system and accounting documentation. We will then prepare documentation of the major systems. To the extent it is available; we will also use internal control documentation currently available. This review is organized into major accounting cycles.

We have found through our experience that there are two primary methods to test controls.

- **Documented controls** – Tested by reviewing a sample of transactions for evidence that the control was being performed.
- **Undocumented controls** – Tested through inquiry and observation procedures with appropriate department personnel.

LAWS AND REGULATIONS

Statement on Auditing Standards from the American Institute of Certified Public Accountants, establishes standards for testing and reporting on compliance with laws and regulations. In all financial statement audits, the auditor must consider laws and regulations that have a direct and material effect on the financial statements. Further, the auditor designs audit procedures to provide reasonable assurance that the financial statements are free of material misstatements resulting from violations of these laws and regulations that have a direct and material impact on the financial statements. For governmental entities, this requirement is even more important given the variety of legal and contractual considerations typical of the government environment.

Audit Proposal

(Continued)

8 Specific Audit Approach (Continued)

LAWS AND REGULATIONS

(Continued)

Identifying applicable laws and regulations is fundamental to fulfilling the responsibility of understanding their effects. We will obtain this knowledge through the following sources:

- Discussion of compliance requirements with the City officials, including legal counsel.
- Identification of compliance matters in statutes, financial ordinances, City policies, contracts, grants and debt agreements.
- Review of City Commission meeting minutes.
- Our existing knowledge of federal and state laws.

AUDIT SAMPLES FOR TEST OF COMPLIANCE

Tests of compliance with laws and regulations are included with the tests of transactions and controls, when practical. Additional samples are sometimes necessary to test specific laws and regulations. Sample sizes for compliance testing are determined based on the number of transactions and the significance of the requirement.

APPROACH TO BE TAKEN IN COMPLETING THE SINGLE AUDIT

Our objective in this area is to perform a single audit which meets the needs of the grantor agencies, the requirements of OMB A-133 and the Florida Single Audit Act. In order to achieve this objective, we follow the following techniques:

Planning and Supervision

- Inquiry of management regarding identification of the grants subject to single audit
- Review of grant documents
- Review of OMB Circular A-133 Compliance Supplement
- Review of Federal or state legislation for the enacted laws and regulations
- Consideration of the effect of computer processing on the nature, timing and extent of auditing procedures

Assessment of Risks

- Perform an assessment of engagement risk by considering the level of Federal and state financial assistance and the nature of the various programs; corresponding consideration of the external environments, internal factors, irregularities, illegal acts, fraud and other noncompliance matters.
- Determination of major programs based on risk based analysis as provided by the Federal and State Single Audit Act.

Schedule of Expenditures of Federal and State Awards

- Perform procedures to determine the Schedule of Federal and State Awards are presented fairly in all material respects in relation to the City's financial statements taken as a whole.
- Determine the City was able to reconcile the amounts presented in the schedule to amounts in the financial statements.
- Assess the appropriateness and completeness of the City's identification of Federal and State programs included in the schedule.
- Determine the City properly disclosed the basis of accounting and the significant accounting policies used in preparing the schedule.

Audit Proposal

(Continued)

8 Specific Audit Approach (Continued)

APPROACH TO BE TAKEN IN COMPLETING THE SINGLE AUDIT (Continued)

Materiality

- Determine materiality based on the major program

Internal Control over Major Programs

For each of the 14 types of compliance requirements (listed in the Compliance Supplement) which are applicable and material to each major program, document an understanding of the 5 components of internal control (Control Environment / Risk Assessment / Control Activities / Information and Communication / Monitoring) sufficient to plan the audit to support a low level of control risk. Our audit will cover detailed testing the City's internal control over compliance and test of compliance requirements based on provisions of laws, regulations, contracts, or grants agreements that have significant and direct effect on each of the major Federal or State programs.

9 Identification of Anticipated Potential Audit Problems

We are aware of the uniqueness of the City and will anticipate any issues by addressing them at their early stages.

We do not know of any potential audit problems. If requested, GLSC can be involved throughout the entire year, at no extra cost, by providing assistance in current and new evolving issues.

Smooth Transition

GLSC's transition will be smooth, with minimal disruption of the City's staff and operations. We can make this assurance because we are experienced in transitioning a number of governmental engagements. Our transition process assures the City that:

- Only staff with directly relevant experience and genuine interest in serving the City will be assigned.
- All of our staff will be thoroughly oriented to the City, its activities, organization and management.
- Our staff, at all levels, will familiarize themselves with the City's responsible staff and the areas in which they operate, and ensuring our staff will be immediately available to serve the City.
- The City realizes benefits right from the start including a fresh look at the City's control and systems.

Working Paper Retention and Access to Working Papers

All working papers will be retained in accordance with requirements and procedures set forth by the General Records Schedule for Local Governmental Agencies as promulgated by the Division of Archives, History and Records Management (a division of the Florida Department of State) at GLSC's expense. Furthermore, working papers will be available for review, upon request, to the following parties or their designees:

- City of Key West
- U.S. Government Accountability Office (GAO)
- Cognizant Agency
- Parties designated by the federal or state governments or by the City of Key West as part of an audit quality review process.
- Auditors of entities of which the City is a sub recipient of grant funds
- Successor auditors

Audit Proposal

(Continued)

10 PRICE PROPOSAL

Our proposed all-inclusive maximum price to perform financial audit for fiscal years ending September 30, 2013, 2014 and 2015 for City of Key West, Florida are presented below, details of the City's audit fees were included as Appendix IV.

Fiscal year ending 2013	\$132,000
Fiscal year ending 2014	136,000
Fiscal year ending 2015	143,000
Fiscal year ending 2016 (Option Year)	150,000
Fiscal year ending 2017 (Option Year)	157,500

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

Additional Services

We agree to provide additional services based upon a written request from the Finance Director as approved by the City Commission. Our hourly rates to perform other services are outlined below:

Partner	\$220
Manager	140
Senior	100
Staff	80

Conclusion

GLSC IS THE “**RIGHT**” CHOICE FOR THE CITY OF KEY WEST, FLORIDA

GLSC PLEDGES THE FOLLOWING GUARANTEES

- ◆ Provide a *qualified* and *experienced* audit team possessing knowledge of the operation and administration of the City’s compliance and legal requirements, and accounting and reporting for operations pursuant to auditing standards and legal requirements.
- ◆ Demonstrate our commitment to *quality client service* through:
 - Ease of accessibility.
 - Prompt response to questions, comments or requests.
 - Insight and suggestions regarding internal controls, management, and operation, as proper, for both financial and compliance considerations.
- ◆ Provide value and services above and beyond the traditional auditor’s “product” - we will “*go the extra mile*”.
- ◆ Coordinate with the City’s personnel, to ensure *minimum* disruption and *maximum* contribution of City staff.
- ◆ Develop and maintain open lines of communication with the City personnel to help *expedite* the audit process and *avoid awkward* end-of-engagement “*surprises*”.

*The partners and staff of GLSC are committed to providing the City of Key West with our resources and specialized expertise. We are committed to work closely with the City’s staff to accomplish not only those minimum requirements set forth in your Request for Proposal, but to **exceed** those expectations.*


APPENDIX I - LICENSE TO PRACTICE IN FLORIDA

AC# 5807014 **STATE OF FLORIDA**
 DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
 BOARD OF ACCOUNTANCY SEQ# L11100400980

DATE	BATCH NUMBER	LICENSE NBR
10/04/2011	110130057	AD64298

The ACCOUNTANCY CORPORATION
 Named below IS LICENSED
 Under the provisions of Chapter 473 FS
 Expiration date: DEC 31, 2013

GLSC & COMPANY PLLC
 6303 BLUE LAGOON DRIVE, SUITE 200
 MIAMI FL 33126-6025




RICK SCOTT GOVERNOR KEN LAWSON SECRETARY
 DISPLAY AS REQUIRED BY LAW

AC# 6378592 **STATE OF FLORIDA**
 DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
 BOARD OF ACCOUNTANCY SEQ# L12091901190

DATE	BATCH NUMBER	LICENSE NBR
09/19/2012	128087429	AC0005784

The CERTIFIED PUBLIC ACCOUNTANT
 Named below IS LICENSED
 Under the provisions of Chapter 473 FS
 Expiration date: DEC 31, 2014

GARCIA, MANUEL
 GLSC & COMPANY
 6303 BLUE LAGOON DRIVE
 SUITE 200
 MIAMI FL 33126




RICK SCOTT GOVERNOR KEN LAWSON SECRETARY
 DISPLAY AS REQUIRED BY LAW

AC# 6383583 **STATE OF FLORIDA**
 DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
 BOARD OF ACCOUNTANCY SEQ# L12092000923

DATE	BATCH NUMBER	LICENSE NBR
09/20/2012	128088970	AC0010158

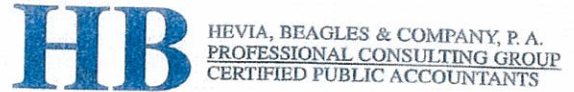
The CERTIFIED PUBLIC ACCOUNTANT
 Named below IS LICENSED
 Under the provisions of Chapter 473 FS
 Expiration date: DEC 31, 2014

LLERENA, PABLO RAMON
 6303 BLUE LAGOON DRIVE
 SUITE 200
 MIAMI FL 33126-6025



RICK SCOTT GOVERNOR KEN LAWSON SECRETARY
 DISPLAY AS REQUIRED BY LAW

APPENDIX II – QUALITY CONTROL REVIEW



System Review Report

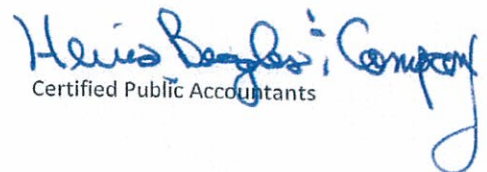
December 8, 2010

To the Owners of GLSC & Company, PLLC
And the Peer Review Committee of the Florida Institute of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of GLSC & Company, PLLC (the firm) in effect for the year ended June 30, 2010. 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 GLSC & Company, PLLC in effect for the year ended June 30, 2010, 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*. GLSC & Company, PLLC has received a peer review rating of *pass*.


Certified Public Accountants


APPENDIX III – BOARD OF ACCOUNTANCY DOCUMENTATION

California Board of Accountancy
2000 Evergreen Street, Suite 250
Sacramento, CA 95815-3832
916 263-3680


07/11
07/11

CUT HERE

CUT HERE



California Board of Accountancy
2000 EVERGREEN STREET, SUITE 250
SACRAMENTO, CA 95815-3832
TELEPHONE: (916) 263-3680
FACSIMILE: (916) 263-3672
WEB ADDRESS: HTTP://www.cba.ca.gov/cba



IMPORTANT

1. Please include your Certificate Number on any correspondence to this office.
2. Notify the Board of any name or address change in writing.
3. Report any loss of this Certificate immediately in writing to the Board.
4. Please sign and carry the Pocket Certificate with you.
WILBERT SANTOS

CERTIFIED PUBLIC ACCOUNTANT

CERTIFICATE NO. CPA 105050 EXPIRATION 09/30/13

WILBERT SANTOS
2491 SW 102 AVE
MIRAMAR FL 33025

Signature _____ RECEIPT NO. 12600171

CERTIFICATE NO. EXPIRATION DATE RECEIPT NO.
CPA 105050 09/30/13 12600171

This is your receipt. Please save for your records.

PABCPA 10/31/07

THIS DOCUMENT HAS A COLORED BACKGROUND • MICROPRINTING • LINEMARK™ PATENTED PAPER

AC#5851647 **STATE OF FLORIDA**

DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
BOARD OF ACCOUNTANCY **SEQ# L11102601510**

DATE	BATCH NUMBER	LICENSE NBR
10/26/2011	110149736	AC42705

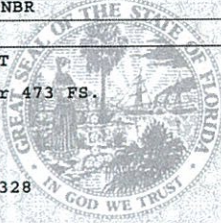
The CERTIFIED PUBLIC ACCOUNTANT
Named below IS LICENSED
Under the provisions of Chapter 473 FS.
Expiration date: DEC 31, 2013

WALKER, SHERRY M
3542 SOUTHERN ORCHARD RD W
DAVIE FL 33328

RICK SCOTT
GOVERNOR

DISPLAY AS REQUIRED BY LAW

KEN LAWSON
SECRETARY



APPENDIX IV – DETAIL OF FEES FOR SERVICES

CITY OF KEY WEST COST PROPOSAL SUMMARY

FISCAL YEAR ENDING SEPTEMBER 30, 2013

	Maximum Number of		Total
	Hours	Hourly Rate	
Partners	80	\$ 220	\$ 17,600
Manager	290	140	40,600
Senior	600	100	60,000
Staff Associates	390	60	23,400
	1,360		141,600

PROPOSED NOT TO EXCEED FIXED AUDIT FEE, INCLUSIVE OF OUT POCKET EXPENSES \$ 132,000

FISCAL YEAR ENDING SEPTEMBER 30, 2014

	Maximum Number of		Total
	Hours	Hourly Rate	
Partners	78	\$ 230	\$ 17,940
Manager	282	145	40,890
Senior	600	105	63,000
Staff Associates	390	65	25,350
	1,350		147,180

PROPOSED NOT TO EXCEED FIXED AUDIT FEE, INCLUSIVE OF OUT POCKET EXPENSES \$ 136,000

FISCAL YEAR ENDING SEPTEMBER 30, 2015

	Maximum Number of		Total
	Hours	Hourly Rate	
Partners	78	\$ 240	\$ 18,720
Manager	282	150	42,300
Senior	600	110	66,000
Staff Associates	390	70	27,300
	1,350		154,320

PROPOSED NOT TO EXCEED FIXED AUDIT FEE, INCLUSIVE OF OUT POCKET EXPENSES \$ 143,000

FISCAL YEAR ENDING SEPTEMBER 30, 2016 (OPTION YEAR)

	Maximum Number of		Total
	Hours	Hourly Rate	
Partners	78	\$ 250	\$ 19,500
Manager	282	155	43,710
Senior	600	115	69,000
Staff Associates	390	75	29,250
	1,350		161,460

PROPOSED NOT TO EXCEED FIXED AUDIT FEE, INCLUSIVE OF OUT POCKET EXPENSES \$ 150,000

FISCAL YEAR ENDING SEPTEMBER 30, 2017 (OPTION YEAR)

	Maximum Number of		Total
	Hours	Hourly Rate	
Partners	78	\$ 260	\$ 20,280
Manager	282	165	46,530
Senior	600	120	72,000
Staff Associates	390	80	31,200
	1,350		170,010

PROPOSED NOT TO EXCEED FIXED AUDIT FEE, INCLUSIVE OF OUT POCKET EXPENSES \$ 157,500

APPENDIX IV – DETAIL OF FEES FOR SERVICES (Continued)

CITY OF KEY WEST
 DETAILED AUDIT BUDGET HOURS
 BUDGET PROPOSAL
 FISCAL YEAR ENDING SEPTEMBER 30, 2013

	Partner	Concurring Partner	Manager	Senior	Staff	Total
Start-Up Activities						
Review of Prior Year's Working Papers	2		8			10
Review of minutes, regulatory requirements, contracts and agreements	2		8	16		26
Understanding the entity and its environment			8	16		24
Understanding the entity's internal controls and procedures			8	16		24
Espace Set Up/Trial Balance			8	16		24
Phase I - Risk Assessment						
Engagement Letter	1		1			2
Engagement Acceptance	1		1	4		6
UCC Search				4		4
Internal Control documentation on significant transaction class			8	24		32
Walkthrough Procedures			8	24	16	48
Risk Assessments	2		8	8		18
Fraud Risk Assessment	2		8	12		22
Planning Materiality	2		4	4		10
Engagement Team Discussions	2	2	2	2	2	10
Preliminary Analytical Procedures	2		8	8		18
Review and Supervisions	20	10	40	16		86
Meetings and Client Conferences	8		8	8		24
Phase II - Perform Audit Plan						
Cash and Investment					40	40
Receivables and Revenues						
Governmental				40		40
Business-type				40		40
Other receivables					12	12
Investment				24		24
Prepayments and other assets					8	8
Fixed assets				24	40	64
Accounts payable and other liabilities				24	40	64
Payroll and other related liabilities				24	40	64
Long term debt			8	20		28
Expenditures				24	40	64
Test of compliance with laws, regulations etc.			8	20	20	48
Final Analytical Procedures			4	8		12
Phase III - Completion and Delivery						
Financial Statements (GASB 34) CAFR	16	4	60	24	20	124
Commitment and Contingencies	1		4	5		10
Subsequent events	1		4	5		10
Other Reports	2		8	16		26
Phase IV - Single Audit						
Single Audit Planning			16	24		40
Internal Control documentations			14	24		38
Test of Controls			10	20	40	70
Test of Compliance			10	20	40	70
Agreed-Upon Procedures						
Planning			4	12		16
Fieldwork				12	16	28
Report			4	12	16	32
TOTAL BUDGETED HOURS	64	16	290	600	390	1,360
HOURLY RATES (DISCOUNTED)	\$ 220	\$ 220	\$ 140	\$ 100	\$ 60	
TOTAL	\$ 14,080	\$ 3,520	\$ 40,600	\$ 60,000	\$ 23,400	\$ 141,600

PROPOSED NOT TO EXCEED FIXED AUDIT FEE, INCLUSIVE OF OUT POCKET EXPENSES

\$ 132,000

APPENDIX IV – DETAIL OF FEES FOR SERVICES (Continued)

CITY OF KEY WEST
 DETAILED AUDIT BUDGET HOURS
 BUDGET PROPOSAL
 FISCAL YEAR ENDING SEPTEMBER 30, 2014

	Partner	Concurring Partner	Manager	Senior	Staff	Total
Start-Up Activities						
Review of minutes, regulatory requirements, contracts and agreements	2		8	16		26
Understanding the entity and its environment			8	16		24
Understanding the entity's internal controls and procedures			8	16		24
Epace Set Up/Trial Balance			8	16		24
Phase I - Risk Assessment						
Engagement Letter	1		1			2
Engagement Acceptance	1		1	4		6
UCC Search				4		4
Internal Control documentation on significant transaction class			8	24		32
Walkthrough Procedures			8	24	16	48
Risk Assessments	2		8	8		18
Fraud Risk Assessment	2		8	12		22
Planning Materiality	2		4	4		10
Engagement Team Discussions	2	2	2	2	2	10
Preliminary Analytical Procedures	2		8	8		18
Review and Supervisions	20	10	40	16		86
Meetings and Client Conferences	8		8	8		24
Phase II - Perform Audit Plan						
Cash and Investment					40	40
Receivables and Revenues						
Governmental				40		40
Business-type				40		40
Other receivables					12	12
Investment				24		24
Prepayments and other assets					8	8
Fixed assets				24	40	64
Accounts payable and other liabilities				24	40	64
Payroll and other related liabilities				24	40	64
Long term debt			8	20		28
Expenditures				24	40	64
Test of compliance with laws, regulations etc.			8	20	20	48
Final Analytical Procedures			4	8		12
Phase III - Completion and Delivery						
Financial Statements (GASB 34) CAFR	16	4	60	24	20	124
Commitment and Contingencies	1		4	5		10
Subsequent events	1		4	5		10
Other Reports	2		8	16		26
Phase IV - Single Audit						
Single Audit Planning			16	24		40
Internal Control documentations			14	24		38
Test of Controls			10	20	40	70
Test of Compliance			10	20	40	70
Agreed-Upon Procedures						
Planning			4	12		16
Fieldwork				12	16	28
Report			4	12	16	32
TOTAL BUDGETED HOURS	62	16	282	600	390	1,350
HOURLY RATES (DISCOUNTED)	\$ 230	\$ 230	\$ 145	\$ 105	\$ 65	
TOTAL	\$ 14,260	\$ 3,680	\$ 40,890	\$ 63,000	\$ 25,350	\$ 147,180
PROPOSED NOT TO EXCEED FIXED AUDIT FEE, INCLUSIVE OF OUT POCKET EXPENSES						\$ 136,000

APPENDIX IV – DETAIL OF FEES FOR SERVICES *(Continued)*

CITY OF KEY WEST
 DETAILED AUDIT BUDGET HOURS
 BUDGET PROPOSAL
 FISCAL YEAR ENDING SEPTEMBER 30, 2015

	Partner	Concurring Partner	Manager	Senior	Staff	Total
Start-Up Activities						
Review of minutes, regulatory requirements, contracts and agreements	2		8	16		26
Understanding the entity and its environment			8	16		24
Understanding the entity's internal controls and procedures			8	16		24
Epace Set Up/Trial Balance			8	16		24
Phase I - Risk Assessment						
Engagement Letter	1		1			2
Engagement Acceptance	1		1	4		6
UCC Search				4		4
Internal Control documentation on significant transaction class			8	24		32
Walkthrough Procedures			8	24	16	48
Risk Assessments	2		8	8		18
Fraud Risk Assessment	2		8	12		22
Planning Materiality	2		4	4		10
Engagement Team Discussions	2	2	2	2	2	10
Preliminary Analytical Procedures	2		8	8		18
Review and Supervisions	20	10	40	16		86
Meetings and Client Conferences	8		8	8		24
Phase II - Perform Audit Plan						
Cash and Investment					40	40
Receivables and Revenues						
Governmental				40		40
Business-type				40		40
Other receivables					12	12
Investment				24		24
Prepayments and other assets					8	8
Fixed assets				24	40	64
Accounts payable and other liabilities				24	40	64
Payroll and other related liabilities				24	40	64
Long term debt			8	20		28
Expenditures				24	40	64
Test of compliance with laws, regulations etc.			8	20	20	48
Final Analytical Procedures			4	8		12
Phase III - Completion and Delivery						
Financial Statements (GASB 34) CAFR	16	4	60	24	20	124
Commitment and Contingencies	1		4	5		10
Subsequent events	1		4	5		10
Other Reports	2		8	16		26
Phase IV - Single Audit						
Single Audit Planning			16	24		40
Internal Control documentations			14	24		38
Test of Controls			10	20	40	70
Test of Compliance			10	20	40	70
Agreed-Upon Procedures						
Planning			4	12		16
Fieldwork				12	16	28
Report			4	12	16	32
TOTAL BUDGETED HOURS	62	16	282	600	390	1,350
HOURLY RATES (DISCOUNTED)	\$ 240	\$ 240	\$ 150	\$ 110	\$ 70	
TOTAL	\$ 14,880	\$ 3,840	\$ 42,300	\$ 66,000	\$ 27,300	\$ 154,320
PROPOSED NOT TO EXCEED FIXED AUDIT FEE, INCLUSIVE OF OUT POCKET EXPENSES						\$ 143,000

APPENDIX IV – DETAIL OF FEES FOR SERVICES (Continued)

CITY OF KEY WEST
 DETAILED AUDIT BUDGET HOURS
 BUDGET PROPOSAL
 FISCAL YEAR ENDING SEPTEMBER 30, 2016

	Partner	Concurring Partner	Manager	Senior	Staff	Total
Start-Up Activities						
Review of minutes, regulatory requirements, contracts and agreements	2		8	16		26
Understanding the entity and its environment			8	16		24
Understanding the entity's internal controls and procedures			8	16		24
Epace Set Up/Trial Balance			8	16		24
Phase I - Risk Assessment						
Engagement Letter	1		1			2
Engagement Acceptance	1		1	4		6
UCC Search				4		4
Internal Control documentation on significant transaction class			8	24		32
Walkthrough Procedures			8	24	16	48
Risk Assessments	2		8	8		18
Fraud Risk Assessment	2		8	12		22
Planning Materiality	2		4	4		10
Engagement Team Discussions	2	2	2	2	2	10
Preliminary Analytical Procedures	2		8	8		18
Review and Supervisions	20	10	40	16		86
Meetings and Client Conferences	8		8	8		24
Phase II - Perform Audit Plan						
Cash and Investment					40	40
Receivables and Revenues						
Governmental				40		40
Business-type				40		40
Other receivables					12	12
Investment				24		24
Prepayments and other assets					8	8
Fixed assets				24	40	64
Accounts payable and other liabilities				24	40	64
Payroll and other related liabilities				24	40	64
Long term debt			8	20		28
Expenditures				24	40	64
Test of compliance with laws, regulations etc.			8	20	20	48
Final Analytical Procedures			4	8		12
Phase III - Completion and Delivery						
Financial Statements (GASB 34) CAFR	16	4	60	24	20	124
Commitment and Contingencies	1		4	5		10
Subsequent events	1		4	5		10
Other Reports	2		8	16		26
Phase IV - Single Audit						
Single Audit Planning			16	24		40
Internal Control documentations			14	24		38
Test of Controls			10	20	40	70
Test of Compliance			10	20	40	70
Agreed-Upon Procedures						
Planning			4	12		16
Fieldwork				12	16	28
Report			4	12	16	32
TOTAL BUDGETED HOURS	62	16	282	600	390	1,350
HOURLY RATES (DISCOUNTED)	\$ 250	\$ 250	\$ 155	\$ 115	\$ 75	
TOTAL	\$ 15,500	\$ 4,000	\$ 43,710	\$ 69,000	\$ 29,250	\$ 161,460

PROPOSED NOT TO EXCEED FIXED AUDIT FEE, INCLUSIVE OF OUT POCKET EXPENSES

\$ 150,000

APPENDIX IV – DETAIL OF FEES FOR SERVICES (Continued)

CITY OF KEY WEST
 DETAILED AUDIT BUDGET HOURS
 BUDGET PROPOSAL
 FISCAL YEAR ENDING SEPTEMBER 30, 2017

	Partner	Concurring Partner	Manager	Senior	Staff	Total
Start-Up Activities						
Review of minutes, regulatory requirements, contracts and agreements	2		8	16		26
Understanding the entity and its environment			8	16		24
Understanding the entity's internal controls and procedures			8	16		24
Epace Set Up/Trial Balance			8	16		24
Phase I - Risk Assessment						
Engagement Letter	1		1			2
Engagement Acceptance	1		1	4		6
UCC Search				4		4
Internal Control documentation on significant transaction class			8	24		32
Walkthrough Procedures			8	24	16	48
Risk Assessments	2		8	8		18
Fraud Risk Assessment	2		8	12		22
Planning Materiality	2		4	4		10
Engagement Team Discussions	2	2	2	2	2	10
Preliminary Analytical Procedures	2		8	8		18
Review and Supervisions	20	10	40	16		86
Meetings and Client Conferences	8		8	8		24
Phase II - Perform Audit Plan						
Cash and Investment					40	40
Receivables and Revenues						
Governmental				40		40
Business-type				40		40
Other receivables					12	12
Investment				24		24
Prepayments and other assets					8	8
Fixed assets				24	40	64
Accounts payable and other liabilities				24	40	64
Payroll and other related liabilities				24	40	64
Long term debt			8	20		28
Expenditures				24	40	64
Test of compliance with laws, regulations etc.			8	20	20	48
Final Analytical Procedures			4	8		12
Phase III - Completion and Delivery						
Financial Statements (GASB 34) CAFR	16	4	60	24	20	124
Commitment and Contingencies	1		4	5		10
Subsequent events	1		4	5		10
Other Reports	2		8	16		26
Phase IV - Single Audit						
Single Audit Planning			16	24		40
Internal Control documentations			14	24		38
Test of Controls			10	20	40	70
Test of Compliance			10	20	40	70
Agreed- Upon Procedures						
Planning			4	12		16
Fieldwork				12	16	28
Report			4	12	16	32
TOTAL BUDGETED HOURS	62	16	282	600	390	1,350
HOURLY RATES (DISCOUNTED)	\$ 260	\$ 260	\$ 165	\$ 120	\$ 80	
TOTAL	\$ 16,120	\$ 4,160	\$ 46,530	\$ 72,000	\$ 31,200	\$ 170,010

PROPOSED NOT TO EXCEED FIXED AUDIT FEE, INCLUSIVE OF OUT POCKET EXPENSES

\$ 157,500

APPENDIX V –REFERENCES



City of Margate, Florida

March 14, 2013

To Whom It May Concern:

It has been my pleasure to work with GLSC & Company, PLLC, Certified Public Accountants for the past eight years, most recently on the audit of the City of Margate for the fiscal year ended September 30, 2012. The City has recently renewed its contract with GLSC to provide auditing services for an additional three years.

The services of GLSC are performed in a professional and courteous manner, and I found the professional staff extremely knowledgeable and well-educated in governmental auditing practices and procedures. The City Commissioners, as well as City administration, have been very satisfied with the quality and completeness of the seven audits GLSC has performed.

It is with complete confidence that I recommend GLSC for auditing services for any municipality or governmental agency.

Sincerely,


Gail P. Gargano
Director of Finance

/gg

APPENDIX V –REFERENCES (Continued)



FINANCE DEPARTMENT
CITY OF WILTON MANORS
2020 Wilton Drive
Wilton Manors, Florida 33305

Phone (954) 390-2141
Fax (954) 390-2199
www.wiltonmanors.com

March 14, 2013

To Whom It May Concern:

The City of Wilton Manors contracted with GLSC & Company, PLLC to perform financial audits for the City's fiscal years ending September 30, 2010, 2011, and 2012. Their first two audits were completed on schedule, and the third audit is in the very final stages and will also be completed on schedule.

We have been very pleased with the staff of GLSC. They have exhibited a high level of professionalism and a thorough knowledge of governmental accounting. They have been able to clearly communicate with our City staff throughout the engagements. This has meant that we have had no surprises at any time.

We feel that our City made a good choice when we contracted with GLSC, and we look forward to continuing our relationship with the company. It will be my recommendation that we extend the contract for the permitted renewal terms. I am glad to recommend this firm without qualification.

Sincerely,

Robert S. Mays, CGFO
Finance Director

APPENDIX V –REFERENCES (Continued)



City of Pembroke Pines



Frank C. Ortis, Mayor
Carl Shechter, Vice-Mayor
Charles F. Dodge, City Manager

Angelo Castillo, Commissioner
Jay Schwartz, Commissioner
Iris A. Siple, Commissioner

March 14, 2013

To Whom It May Concern:

GLSC and Company, PLLC, was selected by the City of Pembroke Pines to perform the annual audits of the City and Charter Schools' financial statements for fiscal years 2010 through 2014.

The services of GLSC are performed in a professional and courteous manner, and staff is knowledgeable in governmental auditing practices and procedures. The City is very satisfied with the quality and completeness of their audits for the 2010 through 2012 fiscal years.

I recommend GLSC for the provision of auditing services.

Sincerely,

A handwritten signature in blue ink that reads "Rene Gonzalez".

Rene Gonzalez
Finance Director

APPENDIX VI –CERTIFICATE OF INSURANCE (Continued)



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
12/17/2012

PRODUCER (954) 382-4350, Fax (954) 382-2810 SETNOR BYER INSURANCE & RISK 7901 SW 6th Court Suite 430 Plantation FL 33324 INSURED GLSC & Company, PLLC 6303 Blue Lagoon Drive Suite 200 MIAMI FL 33126	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.
INSURERS AFFORDING COVERAGE INSURER A Hartford Casualty Ins Co INSURER B INSURER C INSURER D INSURER E	NAIC #

COVERAGES

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. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS MADE <input checked="" type="checkbox"/> OCCUR	21SBARM5294	01/01/2013	01/01/2014	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMPO AGG \$ 2,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER: POLICY PRO-JECT LOC				
A	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	21SBARM5294	01/01/2013	01/01/2014	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	GARAGE LIABILITY ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY: AGG \$
A	EXCESS / UMBRELLA LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$ 10,000	21SBARM5294	01/01/2013	01/01/2014	EACH OCCURRENCE \$ 4,000,000 AGGREGATE \$ 4,000,000 \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory In NH) If yes, describe under SPECIAL PROVISIONS below Y/N <input type="checkbox"/>				WC STATU-TORY LIMITS OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
	OTHER				

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

CERTIFICATE HOLDER (305) 374-4415 GLSC & COMPANY, PLLC 6303 BLUE LAGOON DRIVE SUITE 200 MIAMI, FL 33126	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL <u>10</u> DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES. AUTHORIZED REPRESENTATIVE D Saunders/PHYLLI
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ATTACHMENT – ANTI-KICKBACK AFFIDAVIT

ANTI-KICKBACK AFFIDAVIT

STATE OF FLORIDA

SS:

COUNTY OF MONROE

I the undersigned hereby duly sworn, depose and say that no portion of the sum herein response will be paid to any employee of the City of Key West as a commission, kickback, reward or gift, directly or indirectly by me or any member of my firm or by an officer of the corporation.

BY: Pablo Llerena

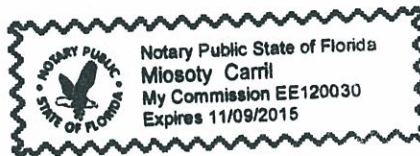
Pablo Llerena, CPA - Partner
GLSC & Company, PLLC

sworn and prescribed before me this 25 day of June, 2013

Miosoty Carril

NOTARY PUBLIC, State of Florida

My commission expires: 11/9/2015



ATTACHMENT II – PUBLIC ENTITY CRIME CERTIFICATION

SWORN STATEMENT PURSUANT TO SECTION 287.133(3)(A) FLORIDA STATUTES, ON PUBLIC ENTITY CRIMES

THIS FORM MUST BE SIGNED AND SWORN TO IN THE PRESENCE OF A NOTARY PUBLIC OR OTHER OFFICIAL AUTHORIZED TO ADMINISTER OATHS,

1. This sworn statement is submitted to City of Key West, Florida
by Pablo Llerena, CPA - Partner
(print individual's name and title)
For GLSC & Company, PLLC
(print name of entity submitting sworn statement)
whose business address is 6303 Blue Lagoon Drive 200 Miami, FL 33126
and (if applicable) its Federal Employer Identification Number (FEIN)
is 20-3157326 (if the entity has no FEIN, include the Social Security
Number of the individual signing this sworn statement):

2. I understand that a "public entity crime" as defined in Paragraph 287.133(1)(g), Florida Statutes, means a violation of any state or federal law by a person with respect to and directly related to the transaction of business with any public entity or with an agency or political subdivision of any other state or of the United States, including, but not limited to, any bid or contract for goods or services to be provided to any public entity or an agency or political subdivision of any other state or of the United States and involving antitrust, fraud, theft, bribery, collusion, racketeering, conspiracy, or material misrepresentation.

3. I understand that "conviction" as defined in Paragraph 287.133(1)(g), Florida Statutes, means a finding of guilt or a conviction of a public entity crime, with or without an adjudication of guilt, in any federal or state trial court of record relating to charges brought by indictment or information after July 01, 1989, as a result of a jury verdict, nonjury trial, or entry of a plea of guilty or nolo contendere.

4. I understand that an "affiliate" as defined in Paragraph 287.133(1)(a), Florida Statutes, means:
 - A. A predecessor or successor of a person convicted of a public entity crime: or

ATTACHMENT II – PUBLIC ENTITY CRIME CERTIFICATION
(Continued)

B. An entity under the control of any natural person who is active in the management of the entity and who has been convicted of a public entity crime. The term "affiliate" includes those officers, directors, executives, partners, shareholders, employees, members and agent who are active in the management of an affiliate. The ownership by one person of shares constituting a controlling interest in another person, or a pooling of equipment of income among persons when not for fair market value under an arm's length agreement, shall be a prima facie case that one person controls another person. A person who knowingly enters into a joint venture with a person who has been convicted of a public entity crime in Florida during the preceding 36 months shall be considered an affiliate.

5. I understand that a "person" as defined in Paragraph 287.133(1)(e), Florida Statute means any natural person or entity organized under the laws of any state or of the United States with the legal power to enter into a binding contract and which bids or applies to bid on contracts for the provision of goods or services let by a public entity, or which otherwise transacts or applies to transact business with a public entity. The term "person" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in management of an entity.

6. Based on information and belief, the statement which I have marked below is true in relation to the entity submitting this sworn statement (indicate which statement applies).

X Neither the entity submitting this sworn statement, or any of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, nor any affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July, 1989.

N/A The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 01, 1989.

N/A The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 01, 1989. However, there has been a subsequent proceeding before a Hearing Officer of the State of Florida, Division of Administrative Hearings and the Final Order entered by the Hearing Officer determined that it was not in the public interest to place the entity submitting this sworn statement on the convicted vendor list. (attach a copy of the final order)

ATTACHMENT II – PUBLIC ENTITY CRIME CERTIFICATION
(Continued)

I UNDERSTAND THAT THE SUBMISSION OF THIS FORM TO THE CONTRACTING OFFICER FOR THE PUBLIC ENTITY IDENTIFIED IN PARAGRAPH ONE (1) ABOVE IS FOR THAT PUBLIC ENTITY ONLY AND, THAT THIS FORM IS VALID THROUGH DECEMBER 31 OF THE CALENDAR YEAR IN WHICH IT IS FILED. I ALSO UNDERSTAND THAT I AM REQUIRED TO INFORM THE PUBLIC ENTITY PRIOR TO ENTERING INTO A CONTRACT IN EXCESS OF THE THRESHOLD AMOUNT PROVIDED IN SECTION 287.017, FLORIDA STATUTES, FOR THE CATEGORY TWO OF ANY CHANGE IN THE INFORMATION CONTAINED IN THIS FORM.

Pablo Herrera

(SIGNATURE)

6/25/13

(DATE)

STATE OF Florida

COUNTY OF Miami-Dade

PERSONALLY APPEARED BEFORE ME, the undersigned authority

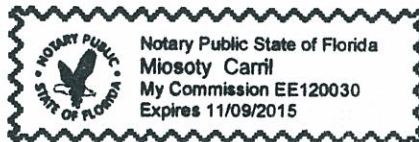
Pablo Herrera who, after first being sworn by me,
(name of individual)

affixed his/her signature in the space provided above on this
25th day of June, 2013

Miosoty Carril

NOTARY PUBLIC

My commission expires:



ATTACHMENT III – LOCAL VENDOR CERTIFICATION

NOT APPLICABLE

LOCAL VENDOR CERTIFICATION

Pursuant to City of Key West Code of Ordinances Section 2-798

The undersigned, as a duly authorized representative of the vendor listed herein, certifies to the best of his/her knowledge and belief, that the vendor meets the definition of a "Local Business." For purposes of this section, "local business" shall mean a business which:

- a. Principle address as registered with the FL Department of State located within 30 miles of the boundaries of the city, listed with the chief licensing official as having a business tax receipt with its principle address within 30 miles of the boundaries of the city for at least one year immediately prior to the issuance of the solicitation.
- b. Maintains a workforce of at least 50 percent of its employees from the city or within 30 miles of its boundaries.
- c. Having paid all current license taxes and any other fees due the city at least 24 hours prior to the publication of the call for bids or request for proposals.

If you qualify, please complete the following in support of the self certification & submit copies of your County and City business licenses. Failure to provide the information requested will result in denial of certification as a local business.

Business Name
Current Local Address:
(P.O Box numbers may not be used to establish status)

Phone:
Fax:

Length of time at this address

Signature of Authorized Representative

Date

STATE OF _____

COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 20__.

By _____, of _____
(Name of officer or agent, title of officer or agent) Name of corporation acknowledging)

or has produced _____ as identification
(type of identification)

Signature of Notary

Print, Type or Stamp Name of Notary

Title or Rank

ATTACHMENT V – ADDENDUM



THE CITY OF KEY WEST
P. O. BOX 1409
KEY WEST, FLORIDA 33041-1409
www.keywestcity.com

ADDENDUM NO. TWO

City of Key West Request for Proposals (RFP) 007-13
External Audit Services

To All Bidders:

The following change is hereby made a part of RFP 007-13 as fully and as completely as if the same were fully set forth therein:

Proposals must be delivered in sealed envelopes clearly marked: External Audit Services. One (1) Signed Original, Three (3) copies and One (1) CD-ROM (or equivalent) of the proposal must be submitted.

All Bidders shall acknowledge receipt and acceptance of this Addendum No. 2 by acknowledging Addendum in their proposal or by submitting the addendum with the bid package. Bids submitted without acknowledgement or without this Addendum may be considered non-responsive.

Handwritten signature of Pablo Llerena in blue ink.

Signature

GLSC & Company, PLLC

Name of Business



2004 Preserve America Designated City