



June 26, 2013

**Proposal to provide Professional  
Auditing Services to:**

## **City of Key West, Florida**

*Prepared by:*

**CliftonLarsonAllen LLP**

**Michael Carter, CPA, Partner**

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June 26, 2013

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

We appreciate the opportunity to build a valuable partnership with you and believe our strengths as an established firm align directly with the requirements outlined within the Request for Proposal (RFP). CliftonLarsonAllen LLP (CLA) is pleased to present the following proposal to provide audit services to the City of Key West (the "City") where the term of the engagement shall be for a three (3) year contract, beginning with fiscal year-end financials dated September 30, 2013 and ending September 30, 2015, with an option of one additional, two (2) year renewal period subject to the mutual consent of the proposer and the City with the approval of the City Commission.

At CLA, our greatest strengths correspond to your most critical needs; we possess the full spectrum of resources needed to most effectively help the City's Commissioners meet their goals – all at a very competitive rate. We believe we are the most qualified firm to audit the City of Key West because of:

- **National State and Local Government Resources and Audit Experience.** Our Public Sector Group is the largest industry group in the firm encompassing more than 600 professional dedicated to serving more than 1,700 state and local governments. In addition, CLA performed more than 850 single audits just in the past year, more than any firm in the country. We not only understand the City's accounting and reporting requirements but we also understand legislative changes, funding challenges, compliance responsibilities, and risk management duties that impact you. This experience allows us to be your advisor as well as your auditor.
- **Local presence.** We have been performing audits in Key West for the past eleven years. We currently are the auditors for the Key West Housing Authority, Key West Housing Authority Retirement Plan, Monroe County Housing Authority, Wesley House Family Services, and AIDS Help. We have audit teams in Key West throughout the year. Over the past eleven years, we have gained an appreciation for the Key West culture and we understand the local issues.
- **Experience auditing Florida governments.** We audit more than 70 Florida governments including seven different Florida counties, twelve municipalities, and dozens of special districts in Florida. In addition, during the past year we performed more than 60 single audits of federal grant programs for Florida entities. We understand the requirements of the Florida Statutes, the Rules of the Auditor General, and the unique reporting requirements for Florida municipalities.
- **A unique approach to governmental clients.** Our professionals are immersed in your field. Those selected to serve you are not just accounting practitioners; they have significant exposure, training, and knowledge in the government industry. Our goal is to become familiar with all aspects of your operations, not just the information needed for the year-end audit. ***Our professionals will stay in touch with you throughout the year, so we can offer solutions to challenges as they arise.***

**An Efficient and Effective Workplan.** We currently serve over 1,700 governmental entities nationally, which ensures that our staff understands the scope of the audit. We also understand the City's complexities, not just from a compliance standpoint but also from an operational point of view. We have developed an effective workplan that takes into consideration your needs for high quality audit services, as well as timely deliverables. This workplan incorporates all of the following:

- **Thought Leadership.** Members of our firm have held numerous thought leadership positions, including the GASB board, AICPA Government Audit Quality Executive Committee, GFOA's Committee on Accounting, Auditing and Financial Reporting Standing Committee, AICPA's State and Local Government Standing Committee, and GFOA's Special Review Executive Committee. We have incorporated our experience with these boards and committees into our audit framework.
- **Engagement Team.** We know that quality people drive quality results, which is why our commitment to you starts with the handpicked engagement team we will assign to your account. Our goal is to ensure you receive quality, client service which is achieved through the close and personal relationship our staff will have with the City. We are committed to providing services that are tailored specifically for each of the City's opinion units and the objectives you look to achieve.
- **A Focus on Providing Consistent, Dependable Service to Government Entities.** We also differ from other national firms in that we focus on the needs of non-SEC clients, allowing us to avoid the workload compression typically experienced by firms that must meet public companies' SEC filing deadlines. CLA is organized into industry teams, affording our clients with specialized industry-specific expertise supplemented by valuable local service and insight. Therefore, the City will enjoy the service of members of our local Government Services Team who have experience with similar governmental entities and understand the issues and environment critical to you.

You have many options in selecting an auditor. By choosing CLA, you will gain value-added accounting and operational insights. We are the right fit for the City as we have the local experience, the expertise, and depth of resources within our firm to offer you superior service while maintaining a sincere and honest relationship. We understand the work, we are committed to meeting your deadlines, and we would like the opportunity to be your auditors.

Thank you once again for the opportunity to present our qualifications. This proposal is a firm and irrevocable offer for a period of sixty (60) days. I am authorized to make representations on behalf of the firm. If you have any questions about our offerings, please do not hesitate to contact me.

Sincerely,

**CliftonLarsonAllen LLP**



Michael E. Carter, CPA  
Partner

## SECTION 1. GENERAL REQUIREMENTS

The following sections 2-10 represent the criteria which the proposal will be evaluated.

## SECTION 2. INDEPENDENCE

We affirm that CliftonLarsonAllen LLP (“CLA”) and all members of the engagement team are independent of the City of Key West, Florida, and the component unit of the City, as defined by generally accepted auditing standards and *Government Auditing Standards*, and the laws and rules of the State of Florida. We are committed to maintaining an independent attitude and appearance throughout the full term of the engagement.

While our primary purpose is to serve as your independent auditor, CLA offers many other services that you may find useful. Requests by the City for such services will be considered on a project by project basis to ensure compliance with the following requirements of our independence standards and *Government Auditing Standards* Amendment No. 3, Independence:

- **auditors should not perform management functions or make management decisions, and**
- **auditors should not audit their own work or provide non-audit services in situations where the amounts or services involved are significant/material to the subject matter of the audit.**

We acknowledge the responsibility to provide written notice to the City of any professional relationships entered during the period of our agreement to provide audit services.

## SECTION 3. LICENSE TO PRACTICE IN THE STATE OF FLORIDA

CLA and all assigned key professional staff are properly licensed to practice in the state of Florida. A copy of our Board of Accountancy licensing is pictured below. In addition, all assigned staff are in full compliance with the continuing education requirements established by *Government Auditing Standards*, 2007 Revision. CLA hereby affirms that we do not have a history of substandard work.

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

AC#5934658

STATE OF FLORIDA  
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION  
BOARD OF ACCOUNTANCY

SEQ# L12010301312

DATE	BATCH NUMBER	LICENSE NBR
01/03/2012	110222789	AD0005891

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

CLIFTONLARSONALLEN LLP  
220 S 6TH STREET, SUITE 300  
ATTN: BETH SPENCER  
MINNEAPOLIS MN 55402-1436

RICK SCOTT  
GOVERNOR

KEN LAWSON  
SECRETARY

DISPLAY AS REQUIRED BY LAW

**SECTION 4. FIRM QUALIFICATIONS AND EXPERIENCE**

**Overall Size and Background of the Firm**

CliftonLarsonAllen is one of the nation’s top-10 certified public accounting and consulting firms. Structured to provide clients with highly specialized industry insight, the firm delivers its audit, accounting, tax, consulting, and advisory capabilities from industry-specific perspectives. CLA continues the legacy of quality, service, and experience that each Clifton Gunderson and LarsonAllen built for more than 50 years.

The firm has a staff of more than 3,600 professionals, operating from more than 90 offices across the country; in Florida we have seven offices and close to 200 professional employees (see next page). Nationwide, there are over 600 employees in the firm’s Public Sector Group and 240 in our Specialty Advisory Services Group. CLA serves clients globally as the largest independent member firm of Nexia International, top worldwide networks of separate and independent professional accounting and business advisory firms.

- \$550M in revenue
- 3,600+ employees
- 90+ offices in 25 states and Washington, DC
- CLA currently serves some of the largest transportation entities.

As one of the nation’s top-10 national accounting firm, CLA is well positioned to bring you an elite level of knowledge, insight, and industry-specific consultation. We are one of the very few firms of our size and scope to have a clear focus on the governmental sector, becoming the national leader in providing audit services to organizations just like the City.

The firm is a member of both the Private Companies Practice Section and the SEC Practice Section of the AICPA’s Division of CPA Firms. CLA has more than 50 years of experience in auditing nonprofit and governmental entities. We joined the Government Audit Quality Center of the AICPA in 2004 when it was originally formed, and we continue to be active members today.

**Local Office Information**

Our Florida practice consists of over 50 strong professionals dedicated almost exclusively to servicing governmental clients through our Lakeland, Fort Myers, Naples, Orlando, Sebring, Tampa and Winter Haven offices. Our Florida office locations are as follows:

<b>Lakeland</b>	811 East Main Street, Lakeland, FL 33801 863-687-7000, Fax 863-687-7050
<b>Fort Myers</b>	6810 International Center Boulevard, Fort Myers, FL 33912 239-226-9900, Fax 239-226-9950
<b>Naples</b>	4099 Tamiami Trail North, Suite 300; Naples, FL 34103 239-262-8686, Fax 239-262-7343
<b>Orlando</b>	420 South Orange Avenue, Suite 500, Orlando, FL 32801 407-802-1200, Fax 407-802-1250



## SECTION 4. FIRM QUALIFICATIONS AND EXPERIENCE

<b>Sebring</b>	435 S. Commerce Avenue, Sebring, FL 33870 863-385-1577, Fax 863-385-0647
<b>Tampa</b>	1715 North Westshore Blvd, Suite 950, Tampa, FL 33607 813-384-2700, Fax 813-384-2750
<b>Winter Haven</b>	147 Avenue C, Suite 101, Winter Haven, FL 33880 863-294-4131, Fax 863-294-3927

Currently the staffing in our Florida offices is as follows:

Staffing	Lakeland	Ft. Myers /Naples	Orlando	Sebring	Tampa	Winter Haven
Partners	3	11	17	1	5	1
Directors/Managers	7	9	11	4	10	2
Seniors	6	11	15	2	5	3
Staff	3	10	12	3	10	2
Other professionals	8	2	8	3	3	2
Total	27	43	63	13	33	10

The location of the office from which the work on this engagement is to be performed is the **Lakeland and Tampa offices**.

Of the 16 partners, directors/managers and seniors stationed in our Lakeland office location, the partner, manager and senior staff members who predominantly serve governmental entities and have city auditing experience are assigned to the City's engagement. We do not anticipate using any part-time staff.

### Joint Venture or Consortium

Our firm is neither a joint venture or consortium.

### External Quality Control Review

CliftonLarsonAllen was formed in January 2012 through the merger of Clifton Gunderson and LarsonAllen. Both firms received external quality control reviews every three years and will continue to do so as CliftonLarsonAllen. Both firms received an unqualified opinion in their most recent external quality (peer) reviews.

The Public Company Accounting Oversight Board (PCAOB) conducts inspections of CliftonLarsonAllen's quality control procedures relating to audits of public companies, while the remainder of our assurance practice is peer reviewed under American Institute of Certified Public Accountants (AICPA) guidelines. Our most recent PCAOB review did not identify any instances of deficiencies or potential deficiencies in our systems, policies, procedures, or practices, or in the conduct of our firm. Our most recent peer review, expressed an unqualified (i.e., clean) opinion and a "pass" rating, which is the most positive report a firm can receive. We are proud of this accomplishment and its strong evidence of our commitment to technical excellence.

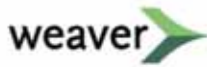
#### **SECTION 4. FIRM QUALIFICATIONS AND EXPERIENCE**

In addition to our external peer review, we have undertaken an intensive internal quality control program to determine that professional standards are maintained in our work. This program is designed to provide reasonable assurance that our personnel will be competent and objective and will exercise due professional care. Included in that program are the following:

- A quality control manual that dictates the quality control standards and policies of our firm. In many cases, these standards exceed the requirements of professional and governmental guidelines. To monitor our adherence to policies and procedures, and to foster quality and accuracy in our services, each office must have a regular internal examination performed by professionals from other firm offices.
- Quality control standards as prescribed by the AICPA. A partner-in-charge is involved in the planning, fieldwork, and post-fieldwork review. In addition, a second appropriately experienced professional performs a risk-based review of the audit prior to issuance of the reports.
- An annual internal inspection program to monitor compliance with CliftonLarsonAllen's quality control standards. Workpapers from a representative sample of engagements are reviewed and improvements to our audit process are made, if necessary, based on the results of the internal inspection review.
- Strict adherence to the AICPA's rules of professional conduct, which specifically includes maintaining client confidentiality. Privacy and trust are implicit in the accounting profession, and CliftonLarsonAllen strives to maintain the utmost level of trust and confidentiality.
- A requirement that all single audit engagements be reviewed by a designated single audit reviewer, thereby ensuring the standards set forth in OMB Circular A-133 are accurately maintained.



## SECTION 4. FIRM QUALIFICATIONS AND EXPERIENCE



### System Review Report

To the Partners of  
Clifton Gunderson LLP  
and the National Peer Review Committee of the AICPA

We have reviewed the system of quality control for the accounting and auditing practice of Clifton Gunderson LLP (the firm) applicable to non-SEC issuers in effect for the year ended July 31, 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 upon 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](http://www.aicpa.org/prsummary).

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

In our opinion, the system of quality control for the accounting and auditing practice of Clifton Gunderson LLP applicable to non-SEC issuers in effect for the year ended July 31, 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*. Clifton Gunderson LLP has received a peer review rating of *pass*.

A handwritten signature in black ink that reads "Weaver and Tidwell, LLP".

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas  
December 3, 2010

AN INDEPENDENT  
MEMBER OF BAKER TILLY  
INTERNATIONAL

WEAVER AND TIDWELL LLP  
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS  
[WWW.WEAVERLLP.COM](http://WWW.WEAVERLLP.COM)

DALLAS  
12221 MERIT DRIVE, SUITE 1400, DALLAS, TX 75251  
P: (972) 490 1970 F: (972) 702 8321

## SECTION 4. FIRM QUALIFICATIONS AND EXPERIENCE



### System Review Report

To the Principals of LarsonAllen LLP  
and the AICPA National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of LarsonAllen LLP (the firm) applicable to non-SEC issuers in effect for the year ended March 31, 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](http://www.aicpa.org/prsummary).

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

In our opinion, the system of quality control for the accounting and auditing practice applicable to non-SEC issuers of LarsonAllen LLP in effect for the year ended March 31, 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*. LarsonAllen LLP has received a peer review rating of *pass*.

*Clifton Gunderson LLP*

August 13, 2010

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Milwaukee, Wisconsin 53226  
tel: 414.476.1880  
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## **SECTION 4. FIRM QUALIFICATIONS AND EXPERIENCE**

### **Federal or State Desk Reviews or Field Reviews**

CLA has been subject to several federal and state desk reviews by state oversight agencies during the past three years, and we have successfully resolved all findings. In addition, our government audits are subject to review by each agency's Office of Inspector General as well as the U.S. Government Accountability Office and we have also successfully resolved all findings identified in those agency reviews. There have been no terminations or disciplinary actions taken against CLA with any regulatory bodies or professional organizations during the past three years. Neither CLA nor any of its employees have a record of substandard audit work.

## **SECTION 5. PARTNER, SUPERVISORY, AND STAFF QUALIFICATIONS AND EXPERIENCE**

The most important resource any business has is people—the right people. CLA hires and retains the best to serve you. We bring a strong sense of integrity and professionalism to our practice and a sense of pride in both our work and our firm. We will emphasize teamwork and communication—an approach that will help you find practical solutions to your business problems. After considerable thought to the appropriate partner and management staffing plan, we have identified an experienced engagement team that we believe can be most valuable to your organization. The members of the team have performed numerous engagements of this nature and will commit the resources necessary to assure you receive top quality service throughout the engagement.

CLA promotes an atmosphere of excitement and opportunity around career opportunities. We educate and nurture people through innovative learning, thoughtful on-the-job experiences, a respectful and caring working environment, and flexible work/life balance alternatives. This benefits our clients because we are able to maintain continuity in staffing from project to project and year to year.

Continuity will result in increased efficiency and quality because staff assigned to the engagement will not have to go through a “learning curve” with engagements or each new project. This means your staff will spend less time orienting or better yet training the team, and more time working toward the goals and objectives identified in the plan. In any industry; however, turnover is inevitable. If turnover happens with any of the people we have committed to serve you, we will provide professional summaries of suggested replacements to you and will discuss reassigned work assignments prior to finalizing. We want you to be comfortable with the assigned staff prior to the start of any work and understand you have the final decision regarding staff replacements.

### **Technology Expertise**

Technology and information systems are a critical aspect of the internal control environment. The emphasis of the audit work program will be on the areas identified with the highest risk as a result of the risk assessment process. As part of our audit procedures, our IT Security specialists will evaluate the City's computer processing environments and general controls that help ensure the reliability of the business and financial systems that support business objectives during the current and future reporting period.

Focusing on information security can be a competitive advantage in the marketplace and minimize potential legal risks to the City. Making information security a priority within the organization also demonstrates to employees that management understands the importance of protecting its most valuable asset - customer information. As a result, CLA provides several security-focused consulting services that can be customized to your specific requirements. CLA Information Security Services has significant experience and expertise related to each of the described services and will identify exposures and risks that will assist each organization in implementing the proper controls and procedures to mitigate or eliminate the various risks. The following is a sample list of additional information technology assessment services we offer:

## **SECTION 5. PARTNER, SUPERVISORY, AND STAFF QUALIFICATIONS AND EXPERIENCE**

- Application controls assessment
- Network penetration testing
- Internal vulnerability assessment
- General controls review
- Security policy review
- Security awareness assessment
- Incident response and forensic investigation
- Privacy compliance
- Disaster recovery
- Social engineering
- Wireless security assessments

### **Additional Expertise – Specialized Advisory Services**

Our professionals are dedicated, skilled audit and consulting practitioners committed to helping both management and elected officials understand how their government's risks are managed. We have a diverse group of consultants with a number of specializations, from IT auditors with knowledge of auditing automated controls and specialty IT reviews, to enterprise risk management (ERM) professionals whose services include the assessment, identification, communication, monitoring, and management of risk within your government. We also have other subject matter specialists on hand with specialized competencies to bring the right services and skill sets to fit your needs. CLA provides the following services to local government clients:

- Outsourced or co-sourced internal audit
- Health care claim audits for self-insured plans
- Risk assessments and evaluations
- Enterprise risk management readiness assessments
- Operational, financial, regulatory and compliance assessments
- Documentation, evaluation, and tests of controls
- Program efficiency reviews and quality assessment reviews
- Business process reengineering
- Cost optimization assessments
- Benchmarking assessments and leading practice recommendations
- Policy development
- Facilitation of trainings and workshops
- Fraud reviews
- Business continuity plan assessments

**SECTION 5. PARTNER, SUPERVISORY, AND STAFF QUALIFICATIONS AND EXPERIENCE**

**Proposed Engagement Team**

Following is our proposed audit engagement management team:

Engagement Team	Role	Years of Experience
Michael E. Carter, CPA	Engagement Partner	30
Martin A. Redovan, CPA	Technical Resource Partner	32
Walker Wilkerson, CPA	Quality Assurance Partner	22
Andrew Laflin, CPA	Audit Manager	10
Kadian Douglas, CPA	Senior Auditor	4
James Barton III	Information Security	14
Mike Sargent	Risk Management Services	25

**Roles and responsibilities of each position of the audit team:**

- **Engagement Partner - Michael Carter:** Mike will have overall engagement responsibility regarding planning the engagement, developing audit approach, supervising staff and maintaining client contact throughout the engagement and throughout the year. He is responsible for assuring total client satisfaction through the deployment of all required resources and continuous communication with management and the engagement team.
- **Technical Resource Partner - Martin Redovan:** Marty will be the technical resource for the audit team as well as City personnel. Marty’s many years of serving governmental entities will be an invaluable resource.
- **Quality Assurance Partner - Walker Wilkerson:** Walker will complete the quality review of all work performed and of all audit reports prior to issuance. The focus of this review is to ensure adherence to industry and Firm quality control guidelines and to assure the work performed supports the audit opinions issued.
- **Audit Manager - Andrew Laflin:** Andrew will be responsible for planning the engagement, developing the audit approach, supervising staff and maintaining client contact throughout the engagement and throughout the year. They are responsible for assuring total client satisfaction through the deployment of all required resources and continuous communication with management and the engagement team. They will also support the audit seniors and staff auditors and will perform a technical review of all work performed. They are responsible for the review of the financial statements and all related reports.
- **Audit Senior – Kadian Douglas:** Kadian will be responsible for the fieldwork; perform the most complicated audit areas, oversee audit staff, and work in the preparation of financial statements and opinion letters.
- **Information Security - Jim Barton:** Jim will assist the audit team in documenting and evaluating IT general and application controls.
- **Risk Management Services- Mike Sargent:** Mike will be available to meet with senior organizational leaders to determine the current state of risk management capabilities.

## SECTION 5. PARTNER, SUPERVISORY, AND STAFF QUALIFICATIONS AND EXPERIENCE

### Michael E. Carter, CPA

CliftonLarsonAllen LLP

Engagement Partner  
Lakeland, Florida

863-687-7000

mike.carter@cliftonlarsonallen.com



#### **Profile**

Mike is a partner in CLA's State and Local Government Group. He has 30 years of accounting and audit experience. Mike has also received the AICPA Certificate of Educational Achievement in Governmental Accounting and Auditing.

#### **Education/professional involvement**

- Bachelor of science in accounting, University of Florida
- Certified Public Accountant licensed by the state of Florida
- Meets/exceeds the continuing education requirements of the Florida Department of Business and Professional Regulation and *Government Auditing Standards*

#### **Experience serving clients**

Mike's experience is very heavily concentrated on providing service to governmental entities. He has been partner for the audit engagements listed below:

Hardee County  
Highlands County\*  
Okeechobee County  
Polk County\*  
City of Avon Park\*  
City of Port Richey  
City of Bowling Green

City of Largo\*  
City of Temple Terrace\*  
City of Winter Haven\*  
Key West Housing Authority  
Wesley House Family Services

Town of Redington Beach  
Central Florida Regional Planning Council  
Hardee County Indigent Care  
Heartland Library Cooperative  
Highlands County Health Facilities Authority  
Highlands County Hospital District  
Highlands County Industrial Development Authority  
Pinellas County Metropolitan Planning Org.  
Pinellas County Planning Council  
Sebring Airport Authority  
Monroe County Housing Authority  
A H Monroe, Inc. (AIDS Help)

*\*Receives the GFOA Certificate of Achievement for Excellence in Financial Reporting*

#### **Professional affiliations**

- American Institute of Certified Public Accountants (AICPA)
- Florida Institute of Certified Public Accountants (FICPA) – Past President Ridge Area Chapter
- Government Finance Officers Association (GFOA)
- Florida Government Finance Officers Association (FGFOA)
- Florida Association for Housing Related Officials
- Institute of Management Accountants – Past President Polk County Chapter



## SECTION 5. PARTNER, SUPERVISORY, AND STAFF QUALIFICATIONS AND EXPERIENCE

### Michael E. Carter, CPA

Engagement Partner

#### Continuing Professional Education (CPE)

Mike is in full compliance with continuing education requirements established by *Government Auditing Standards*, 2007 Revision. The following is a summary of Mike's continuing professional education for the past three years:

Program	Sponsor Name
Single Audit Binder Training	CliftonLarsonAllen LLP (NASBA #108081)
Nonprofit Binder Training	CliftonLarsonAllen LLP (NASBA #108081)
State and Local Government Virtual Conference	CliftonLarsonAllen LLP (NASBA #108081)
The Clarity Auditing Standards and Group Audits:	CliftonLarsonAllen LLP (NASBA #108081)
CLA Audit Methodology	CliftonLarsonAllen LLP (NASBA #108081)
Impact of Healthcare Reform on Employers	CliftonLarsonAllen LLP (NASBA #108081)
Ethics & Professional Conduct for Florida CPAs	Western CPE
2012 Government Accounting and Auditing Update	CliftonLarsonAllen LLP (NASBA #108081)
A&A Update	CliftonLarsonAllen LLP (NASBA #108081)
Performing Effective and Efficient Single Audits	PPC - NASBA #103166
A&A Policies and Procedures for Acquired Practices	LarsonAllen LLP
IT Security	FGFOA - NASBA #109565
Various	FGFOA - NASBA #109565
GASB Update/Topics	FGFOA - NASBA #109565
Second Annual Nonprofit Accounting and Auditing Update	LarsonAllen LLP
CFGL A&A Update	Community Foundation of Greater Lakeland
UPMIFA	Lorman Education Services - NASBA #103151
Government Accounting and Auditing Update	LarsonAllen LLP
IFRS	FICPA - Polk Chapter
Accounting for Investments/City of Lakeland	FICPA - Polk Chapter
Audits of State and Local Governments	PPC - NASBA #103166
Single Audit Training	PPC - NASBA #103166
Not-for-Profit Audits	PPC - NASBA #103166
Audit Documentation	Gleim - QAS #004
Audit Evidence	Gleim - QAS #004
IFRS - Accounting for Liabilities	Gleim - QAS #004
Financial Statement Analysis	Gleim - QAS #004
Financial Statement Preparation	Gleim - QAS #004
Audit Risk Assessment	Gleim - QAS #004
Government Accounting - Concepts	Gleim - QAS #004
Governmental Auditing	Gleim - QAS #004
Non-Profit Accounting	Gleim - QAS #004
NACVA Conference	NACVA
CFGL A&A Update	Community Foundation of Greater Lakeland
Various	USF

## SECTION 5. PARTNER, SUPERVISORY, AND STAFF QUALIFICATIONS AND EXPERIENCE

**Walker D. Wilkerson, CPA, MBA**

**CliftonLarsonAllen LLP**

Quality Assurance Partner  
Lakeland, Florida

836-687-7039

walker.wilkerson@cliftonlarsonallen.com



### **Profile**

Walker is a partner with CLA and is a technical reviewer for CLA's Assurance and Accounting Quality Group. He has 21 years of public auditing experience with a focus on governmental entities and nonprofit organizations.

### **Education/Professional Involvement**

- BSBA from the Citadel, Charleston, South Carolina
- Master of Business Administration from Florida Southern College
- Certified Public Accountant licensed by the state of Florida
- Review for GFOA Certificate of Excellence in Financial Reporting
- Served as an adjunct professor at Florida Southern College teaching a variety of accounting courses
- Meets/exceeds the continuing education requirements of the Florida Department of Business and Professional Regulation and *Government Auditing Standards*.

### **Experience serving clients**

Walker specializes in assurance and accounting quality reviews with an emphasis in local governments and nonprofits. As a National Quality Technical Reviewer, Walker has reviewed hundreds of governmental financial statements. Walker has also provided auditing services to a large array of clients, including nonprofit organizations, governmental entities, workforce development boards, for profit entities, pension plans and funds, and housing authorities. During his career, Walker has provided client services leadership for the following engagements:

#### **Counties**

Polk County\*  
Highlands County\*  
Okeechobee County  
City of Avon Park\*

City of Winter Haven\*  
Central Florida Regional Planning Council  
Lake Region Lakes Management District

#### **Housing Authorities**

City of Lakeland Housing Authority  
Delray Beach Housing Authority  
Hernando County Housing Authority  
Housing Authority of Avon Park  
Housing Authority of Bartow  
Housing Authority of City of Homestead  
Key West Housing Authority

Lake Wales Housing Authority  
Monroe County Housing Authority  
Pasco County Housing Authority  
Winter Haven Housing Authority  
Heartland Workforce Investment Board, Inc.  
Polk County Workforce Development Board

**\*Receives the GFOA Certificate of Achievement for Excellence in Financial Reporting**

### **Professional affiliations**

- American Institute of Certified Public Accountants (AICPA)
- Florida Institute of Certified Public Accountants (FICPA)
- National Association for Housing Related Officials (NAHRO)
- Florida Association for Housing Related Officials (FAHRO)
- Affordable Housing Association for CPA's

## **SECTION 5. PARTNER, SUPERVISORY, AND STAFF QUALIFICATIONS AND EXPERIENCE**

### **Walker D. Wilkerson, CPA, MBA**

Quality Assurance Partner

#### **Continuing Professional Education (CPE)**

Walker is in full compliance with continuing education requirements established by *Government Auditing Standards, 2007 Revision*. The following is a summary of Walker's continuing professional education for the past three years:

<b>Program</b>	<b>Sponsor Name</b>
Assurance EACF and Quality Control Policies & Procedures	CliftonLarsonAllen LLP (NASBA #108081)
Single Audit Binder Training	CliftonLarsonAllen LLP (NASBA #108081)
Nonprofit Binder Training	CliftonLarsonAllen LLP (NASBA #108081)
State and Local Government Virtual Conference	CliftonLarsonAllen LLP (NASBA #108081)
CLA Audit Methodology	CliftonLarsonAllen LLP (NASBA #108081)
The Clarity Auditing Standards and Group Audits: An Explanation and Analysis	CliftonLarsonAllen LLP (NASBA #108081)
FGFOA - Ethics for Governmental CPA in Florida	FICPA - FL #3461
FGFOA 2012 Annual Conference	FGFOA
2012 Government Accounting and Auditing Update	CliftonLarsonAllen LLP (NASBA #108081)
Participant Credit for Instructors - 2012 Government Accounting and Auditing Update	CliftonLarsonAllen LLP (NASBA #108081)
Coaching for Performance & Development	LarsonAllen LLP
Accounting & Auditing Update for Central Florida Nonprofits	LarsonAllen LLP
A&A Standards Update	LarsonAllen LLP
Performing Effective and Efficient Single Audits	PPC - NASBA #103166
A&A Policies and Procedures for Acquired Practices	LarsonAllen LLP
Local/State Gov't C3	Unknown
Second Annual Nonprofit Accounting and Auditing Update	LarsonAllen LLP
State/Local Gov't C2	Unknown
Local/State Gov't C1	Unknown
CFGL A&A Update	Community Foundation of Greater Lakeland
Government Accounting and Auditing Update	LarsonAllen LLP
Audits of State and Local Governments	PPC - NASBA #103166
Single Audit Training	PPC - NASBA #103166
Not-for-Profit Audits	PPC - NASBA #103166
Employee Benefits Update	FICPA
End User Training	CCH - NASBA #103021

## SECTION 5. PARTNER, SUPERVISORY, AND STAFF QUALIFICATIONS AND EXPERIENCE

**Martin A. Redovan, CPA**  
**CliftonLarsonAllen LLP**



Technical Resource Partner  
Fort Myers, Florida

239-226-9902  
martin.redovan@cliftonlarsonallen.com



### **Profile**

Marty is the Southeast Region Partner-in-Charge of the State and Local Government practice and has over 30 years of experience serving Florida government clients. During this time, he has served eight Florida counties, several cities and numerous special districts. The majority of the larger governments served by him require federal and state single audits.

### **Education/Professional Involvement**

- Bachelor of business administration with a degree in accounting, Stetson University
- Certified Public Accountant licensed by the state of Florida
- Meets/exceeds the continuing education requirements of the Florida Department of Business and Professional Regulation and *Government Auditing Standards*.

### **Experience serving clients**

Marty has over 30 years of experience in public accounting servicing local governments. During his career he has provided audit and accounting services to:

Charlotte County*	Desoto County
City of Bonita Springs	Englewood Water District
City of Cape Coral*	Glades County
City County Public Works Authority	Hardee County
City of Dunedin*	Lee County*
City of Everglades City	Manatee County*
City of Moore Haven	Sarasota County*
City of Naples Airport Authority*	Hillsborough County Aviation Authority*
City of Punta Gorda	Southwest Florida Expressway Authority
City of Sanibel	Town of Fort Myers Beach
Collier County*	Captiva Fire Control District
Estero Fire Rescue	Iona McGregor Fire Protection and Rescue
Matlacha Pine/Island Fire Control District	Sanibel Fire & Rescue District
Upper Captive Fire Control District	Many other Special Districts and Authorities

**\*Receives the GFOA Certificate of Achievement for Excellence in Financial Reporting**

### **Professional affiliations**

- American Institute of Certified Public Accountants (AICPA)
- Florida Institute of Certified Public Accountants (FICPA)
- Government Finance Officers Association (GFOA)
- Florida Government Finance Officers Association (FGFOA)

## SECTION 5. PARTNER, SUPERVISORY, AND STAFF QUALIFICATIONS AND EXPERIENCE

### Martin A. Redovan, CPA

Technical Resource Partner

#### Continuing Professional Education (CPE)

Marty is in full compliance with the continuing education requirements established by *Government Auditing Standards*, 2007 Revision. The following is a summary of Marty's continuing professional education for the past three years:

<b>Program</b>	<b>Sponsor Name</b>
Nonprofit Binder Training	CliftonLarsonAllen LLP (NASBA #108081)
Assurance EACF and Quality Control Policies & Procedures	CliftonLarsonAllen LLP (NASBA #108081)
Single Audit Binder Training	CliftonLarsonAllen LLP (NASBA #108081)
A&A Standards Update	CliftonLarsonAllen LLP (NASBA #108081)
Fraud, Prevalence and Detection	CliftonLarsonAllen LLP (NASBA #108081)
State and Local Government Virtual Conference	CliftonLarsonAllen LLP (NASBA #108081)
The Clarity Auditing Standards and Group Audits: An Explanation and Analysis	CliftonLarsonAllen LLP (NASBA #108081)
CLA Audit Methodology	CliftonLarsonAllen LLP (NASBA #108081)
Impact of Healthcare Reform on Employers	CliftonLarsonAllen LLP (NASBA #108081)
A Single Audit Update	CliftonLarsonAllen LLP (NASBA #108081)
Ethics & Professional Conduct for Florida CPAs	Western CPE
FGFOA 2012 Annual Conference	FGFOA
2012 Government Accounting and Auditing Update	CliftonLarsonAllen LLP (NASBA #108081)
A&A Update - January	CliftonLarsonAllen LLP (NASBA #108081)
Audits of HUD Engagements	LarsonAllen LLP
A&A Update	LarsonAllen LLP
A&A Standards Update	LarsonAllen LLP
Performing Effective and Efficient Single Audits	PPC - NASBA #103166
A&A Update	LarsonAllen LLP
FGFOA 2011 Annual Conference	FGFOA - #0002329
A&A Update	LarsonAllen LLP
Government Accounting and Auditing Update	LarsonAllen LLP
A&A Update	LARSONALLEN LLP - NASBA #108081
Advanced Single Audit Learning	LARSONALLEN LLP - NASBA #108081
A&A Standards Update	LARSONALLEN LLP - NASBA #108081
A&A Update	LARSONALLEN LLP - NASBA #108081
Compilations and Review (Fort Myers/Naples)	LARSONALLEN LLP - NASBA #108081
Innovative Ideas in Budgeting Legislative Session Update	Florida Government Finance Officers Association
Personal and Professional Ethics for Florida CPAs	PASS ONLINE - QAS #034
NPG Industry Update	LARSONALLEN LLP - NASBA #108081
Nonprofit Accounting and Auditing Update (Client)	LARSONALLEN LLP - NASBA #108081
2010 ANNUAL CONFERENCE	Florida Government Finance Officers Association
2010 Government Accounting and Auditing Update (Client)	LARSONALLEN LLP - NASBA #108081
2010 Government Accounting and Auditing Update (Client)	LARSONALLEN LLP - NASBA #108081

## SECTION 5. PARTNER, SUPERVISORY, AND STAFF QUALIFICATIONS AND EXPERIENCE

**Andrew Laflin, CPA**  
**CliftonLarsonAllen LLP**  
Audit Manager  
Tampa, Florida



813-384-2700

andrew.laflin@cliftonlarsonallen.com

### **Profile**

Andrew is an audit manager with CLA. Andrew has ten years of public accounting experience and also has approximately five years of teaching experience as an adjunct professor in the fields of financial accounting and cost/managerial accounting at the University of Tampa and Hillsborough Community College in Tampa.



### **Education/professional involvement**

- Bachelor of arts in accounting, University of Notre Dame
- Master's degree in accounting, University of South Florida
- Certified Public Accountant in the state of Florida
- Meets/exceeds the continuing education requirements of the Florida Department of Business and Professional Regulation and *Government Auditing Standards*

### **Experience serving clients**

During his career, Andrew has provided governmental auditing and accounting services to counties, cities, airport authorities, transportation authorities, transportation planning organizations, and other special districts, including those listed below:

Glades County	City of Temple Terrace*
Manatee County*	Belmont Community Development District
Sarasota County*	Hillsborough Transit Authority (HART)*
City of Cape Coral*	Hillsborough County Aviation Authority
City of Dunedin*	Lake St. Charles Community Dev. District
City of Largo*	Lee County Metropolitan Planning Org.
City of Safety Harbor*	Pinellas County Metropolitan Planning Org.
City of Tampa (Tampa Historic Streetcar, Inc.)*	Pinellas County Planning Council

\*Receives the GFOA Certificate of Achievement for Excellence in Financial Reporting

### **Professional affiliations**

- American Institute of Certified Public Accountants (AICPA)
- Florida Institute of Certified Public Accountants (FICPA)
- Florida Government Finance Officers Association (FGFOA)
- Florida League of Cities



**SECTION 5. PARTNER, SUPERVISORY, AND STAFF QUALIFICATIONS AND EXPERIENCE**

**Andrew Laflin, CPA**

Audit Manager

**Continuing Professional Education (CPE)**

Andrew is in full compliance with continuing education requirements established by *Government Auditing Standards, 2007 Revision*. The following is a summary of Andrew’s continuing professional education for the past three years:

<b>Program</b>	<b>Sponsor Name</b>
Assurance EACF and Quality Control Policies & Procedures	CliftonLarsonAllen LLP (NASBA #108081)
A&A Standards Update (Tampa)	CliftonLarsonAllen LLP (NASBA #108081)
State and Local Government Virtual Conference	CliftonLarsonAllen LLP (NASBA #108081)
Participant Credit for Instructors - State and Local Government Virtual Conference	CliftonLarsonAllen LLP (NASBA #108081)
CLA Audit Methodology	CliftonLarsonAllen LLP (NASBA #108081)
Risk Management Update	CliftonLarsonAllen LLP (NASBA #108081)
SSL: 2012 Florida State & Local Government Training for Seniors/Staff	CliftonLarsonAllen LLP (NASBA #108081)
Participant Credit for Instructors - SSL: 2012 Florida State & Local Government Training for Seniors/Staff	CliftonLarsonAllen LLP (NASBA #108081)
2012 Government Accounting and Auditing Update	CliftonLarsonAllen LLP (NASBA #108081)
Participant Credit for Instructors - 2012 Government Accounting and Auditing Update	CliftonLarsonAllen LLP (NASBA #108081)
Client - 3rd Annual Government Training Academy	CliftonLarsonAllen LLP (NASBA #108081)
A&A Update	CliftonLarsonAllen LLP (NASBA #108081)
Leadership Update	LarsonAllen LLP
A&A Update	LarsonAllen LLP
A&A Standards Update (Tampa)	LarsonAllen LLP
Performing Effective and Efficient Single Audits	PPC - NASBA #103166
Ethics & Professional Conduct for Florida CPAs	Western CPE
Second Annual Nonprofit Accounting and Auditing Update	LarsonAllen LLP
Accounting Complexities Facing Nonprofits/DOL Fee Disclosure and 403(b) Update	LARSONALLEN LLP - NASBA #108081
A&A Update- May Rebroadcast	LarsonAllen LLP
NPG Virtual Conference	LarsonAllen LLP
Government Accounting & Auditing Update - Step-By-Step Procedures for GASB 54 Implementation	LARSONALLEN LLP - NASBA #108081
Accounting Methods Update	LarsonAllen LLP
A&A Update - December	LARSONALLEN LLP - NASBA #108081
Advanced Single Audit Learning (Ed Cast)	LARSONALLEN LLP - NASBA #108081
A&A Standards Update (Orlando/Tampa)	LARSONALLEN LLP - NASBA #108081
A&A Update - August	LARSONALLEN LLP - NASBA #108081
NPG Industry Update	LARSONALLEN LLP - NASBA #108081
A&A Update - May	LARSONALLEN LLP - NASBA #108081
SAS 117	LARSONALLEN LLP - NASBA #108081
2010 Government Accounting and Auditing Update (Client)	LARSONALLEN LLP - NASBA #108081

## SECTION 5. PARTNER, SUPERVISORY, AND STAFF QUALIFICATIONS AND EXPERIENCE

**Kadian Douglas, CPA, M.Ed**  
***CliftonLarsonAllen LLP***



Senior Auditor  
Tampa, Florida

813-384-2735  
kadian.douglas@cliftonlarsonallen.com



### ***Profile and Education***

Kadian is a senior auditor with CLA. Kadian has over four years of public auditing experience with a focus on auditing governmental entities and nonprofit organizations. Kadian received her B.S. degree in Accounting from the University of Minnesota. She is a Certified Public Accountant in the State of Minnesota.

### ***Experience in Serving Clients***

Kadian provides auditing services to a large array of clients, including nonprofit organizations, governmental entities, and for profit entities. During her career, Kadian has provided client services to dozens of clients including the following engagements:

Polk County\*

City of Cape Coral\*

Manatee County\*

Pinellas County Planning Council

Sarasota County\*

Town of Redington Beach

**\*Receives the GFOA Certificate of Achievement for Excellence in Financial Reporting**

Florida Southern College

Southern Minnesota Regional Legal Services

Community Health Charities

Public Radio International

Police Officers Federation

Northwestern College

St. John's College

Tampa Hillsborough Economic Development Corporation

Children's Home Society and Family

Minnesota Assistance Council for Veterans

University of Minnesota

Neighborhood Health Care Network

Child Welfare League of America

Enterprise Minnesota

Dunwoody College of Technology

Tampa Bay Sports Commission

Oregon University Systems

### ***Professional Affiliations***

Kadian is a Certified Public Accountant in the State of Minnesota. Her professional involvement includes:

- American Institute of Certified Public Accountants
- Florida Institute of Certified Public Accountants
- Minnesota Society of Certified Public Accountant

## **SECTION 5. PARTNER, SUPERVISORY, AND STAFF QUALIFICATIONS AND EXPERIENCE**

**Kadian Douglas, CPA, M.Ed**

***CliftonLarsonAllen LLP***

### **Continuing Professional Education (CPE)**

Kadian is in full compliance with continuing education requirements established by *Government Auditing Standards*, 2007 Revision. The following is a summary of Kadian's continuing professional education for the past three years:

#### **Program**

The Clarity Auditing Standards and Group Audits  
CLA Audit Methodology  
State and Local Government Virtual Conference  
A&A Standards Update  
Assurance EACF and Quality Control Policies & Procedures  
Staff 1: January, 2013  
Assurance Quarterly Update – May  
2013 Government Accounting & Auditing Updates  
Student Financial Aid - Advanced  
Foundations in Governmental Accounting

#### **Sponsor Name**

CliftonLarsonAllen LLP (NASBA #108081)  
CliftonLarsonAllen LLP (NASBA #108081)  
CliftonLarsonAllen LLP (NASBA #108081)  
CliftonLarsonAllen LLP (NASBA #108081)  
CliftonLarsonAllen LLP (NASBA #108081)  
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CliftonLarsonAllen LLP (NASBA #108081)  
CliftonLarsonAllen LLP (NASBA #108081)

## **SECTION 5. PARTNER, SUPERVISORY, AND STAFF QUALIFICATIONS AND EXPERIENCE**

**James W. Barton III, CISA**

***CliftonLarsonAllen LLP***

Information Security  
Lakeland, Florida

863-687-7040

[jim.barton@cliftonlarsonallen.com](mailto:jim.barton@cliftonlarsonallen.com)



### ***Profile and Education***

Jim is a member of the Information Security Services Group (ISSG) which provides security-focused consulting services. Jim has over 14 years of professional experience in providing consulting services in network management and end user support in a number of industries. His experience covers project management, business management and service delivery. Jim attended the Florida Career Institute where he received a diploma in Computer Electronics and Networking Technology. Jim has also achieved the Certified Information Systems Auditor (CISA) certification.

### ***Experience in Serving Clients***

Jim has provided consulting services on a wide range of projects from system selection to the design and installation of local and wide area networks. He was most recently the IT Director for a Florida based regional CPA firm. His current focus is on internal vulnerability assessments and external penetration testing. Other areas of consulting include the review of IT general controls to provide assurance that infrastructure, application controls and security in place are effective for client systems and SSAE16 processing and testing. Jim has provided services to a number of entities around the country, including the Hillsborough County Aviation Authority, City of Dunedin, City of Cape Coral, Polk County Board of County Commissioners, and the Federal Government.

### ***Professional Affiliations***

Jim is a member of West Florida Chapter of ISACA, a worldwide association of information security professionals.

## **SECTION 5. PARTNER, SUPERVISORY, AND STAFF QUALIFICATIONS AND EXPERIENCE**

### **Mike Sargent**

#### ***CliftonLarsonAllen LLP***

Director, Risk Management Services      mike.sargent@cliftonlarsonallen.com



#### **Profile and Education**

Mike Sargent is a Director of Risk Management Services at CliftonLarsonAllen. He assists clients with ERM, Internal Audit, Quality Assurance Reviews, and IT Risk Assessment services. Prior to coming to CliftonLarsonAllen Mike held positions with Deloitte & Touche LLP, BearingPoint Inc., Arthur Andersen LLP, the City of Indianapolis, and the US Department of Defense. Mike holds a BS in Engineering from Purdue University and a MPA with a concentration in Public Administration from Indiana University.

#### **Experience in Serving Clients**

Mike is a subject-matter specialist in Enterprise Risk Management with responsibilities that include supporting the delivery of governance, risk, and compliance related services that improve the overall corporate approach to managing risk and control programs. He has more than 25 years of experience in developing strategies, improving risk, governance and financial management of private and public sector clients, and building and implementing successful management support programs. Mike has served clients in a variety of industries including the Federal, State and Local Government, Retail and Consumer Products, Energy, Pharmaceutical and Health Care, Insurance, Higher Education and Not for Profit organizations.

Mike is a National and International speaker on the topic of Enterprise Risk Management.

## SECTION 6. PRIOR ENGAGEMENTS WITH THE CITY OF KEY WEST

### Prior Engagements with the City of Key West

Neither CLA nor any of its employees has had a professional relationship involving the City for the past five years. We have audited the Key West Housing Authority for the past eleven years. See details below.

## SECTION 7. SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENT ENTITIES

The five most significant engagements performed in the last five years by the lead offices are as follows:

Polk County, Florida	
Scope of Work Performed:	Annual Financial Statement Audit, Federal and State Single Audit
Receives GFOA Certificate?	Yes
Engagement Partner:	Michael E. Carter, CPA
Total Hours Worked:	3,100 Hours
Office Location:	Lakeland Office
Principal Client Contact Info:	Stacy Butterfield, Clerk of Courts, 863-534-5970

Hardee County, Florida	
Scope of Work Performed:	Annual Financial Statement Audit, Federal and State Single Audit
Receives GFOA Certificate?	No
Engagement Partner:	Michael E. Carter, CPA
Total Hours Worked:	1,400 Hours
Office Location:	Lakeland Office
Principal Client Contact Info:	Victoria Rogers, Clerk of Courts (863) 773-4174

City of Cape Coral	
Scope of Work Performed:	Annual Financial Statement Audit, Federal and State Single Audit
Receives GFOA Certificate?	Yes
Engagement Partner:	Martin Redovan, CPA
Total Hours Worked:	1,000 Hours
Office Location:	Ft Myers/Tampa Office
Principal Client Contact Info:	Margret Krym, City Auditor (239) 242-3382

Key West Housing Authority	
Scope of Work Performed:	Annual Financial Statement Audit, Federal and State Single Audit
Receives GFOA Certificate?	No
Engagement Partner:	Michael E. Carter, CPA
Total Hours Worked:	700 Hours
Office Location:	Lakeland Office
Principal Client Contact Info:	Manuel Castillo, (305) 296-5621

City of Temple Terrace	
Scope of Work Performed:	Annual Financial Statement Audit, Federal and State Single Audit
Receives GFOA Certificate?	Yes
Engagement Partner:	Michael E. Carter, CPA
Total Hours Worked:	523 Hours
Office Location:	Tampa Office
Principal Client Contact Info:	Ted Beason, Assistant Finance Director, 813 506-6414



**SECTION 7. SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENT ENTITIES**

**Florida Governmental Audit Experience**

Government organizations are a dynamic, unique area of accounting, and require constant attention and monitoring. It is our knowledge of your industry that is crucial to offering actionable solutions. As a firm with nearly 50 years of experience, we possess an extensive understanding of your challenges and are able to respond promptly and effectively to help meet them. We have served over 70 different governmental entities statewide over the past two years in the State of Florida. The following is a partial list of governmental entities that we have provided a financial audit in the State of Florida within the last two years:

<b>Florida Municipalities</b>				
<b>Name</b>	<b>Engagement Partner</b>	<b>Engagement Scope</b>	<b>Preparer of Financial Statements</b>	<b>GFOA Certificate</b>
City of Avon Park	Julie Fowler	Financial Stmt and Single Audit	CLA	No (Yes for 2005 and 2006)
City of Cape Coral	Martin Redovan	Financial Stmt and Single Audit	City	<b>YES</b>
City of Davenport	Julie Fowler	Financial Stmt and Single Audit	CLA	No
City of Dunedin	Martin Redovan	Financial Stmt and Single Audit	City	<b>YES</b>
City of Eagle Lake	Julie Fowler	Financial Stmt Audit	CLA	No
City of Largo	Michael E. Carter	Financial Stmt and Single Audit	City	<b>YES</b>
City of Sanibel	Martin Redovan	Financial Stmt and Single Audit	City	<b>YES</b>
City of Temple Terrace	Michael E. Carter	Financial Stmt and Single Audit	City	<b>YES</b>
City of Winter Haven	Julie Fowler	Financial Stmt and Single Audit	CLA	<b>YES</b>
Town of Redington Beach	Michael E. Carter	Financial Stmt Audit	City	No
<b>Florida Counties</b>				
Glades County	Martin Redovan	Financial Stmt and Single Audit	CLA	No
Hardee County	Michael E. Carter	Financial Stmt and Single Audit	CLA	No
Highlands County	Julie Fowler	Financial Stmt and Single Audit	CLA	<b>YES</b>
Manatee County	Martin Redovan	Financial Stmt and Single Audit	County	<b>YES</b>
Okeechobee County	Julie Fowler	Financial Stmt and Single Audit	CLA	No
Polk County	Michael E. Carter	Financial Stmt and Single Audit	CLA	<b>YES</b>
Sarasota County	Martin Redovan	Financial Stmt and Single Audit	County	<b>YES</b>

**SECTION 7. SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENT ENTITIES**

Other Florida Government Entities				
Avon Park Housing Authority	Michael E. Carter	Financial Stmt and Single Audit	CLA	No
Bartow Housing Authority	Michael E. Carter	Financial Stmt and Single Audit	CLA	No
Captiva Island Fire Control	Martin Redovan	Financial Stmt Audit	CLA	No
Central Florida Regional Planning Council	Michael E. Carter	Financial Stmt and Single Audit	CLA	No
Collier Mosquito Control	Martin Redovan	Financial Stmt Audit	CLA	No
Delray Beach Housing Authority	Michael E. Carter	Financial Stmt and Single Audit	CLA	No
Englewood Water	Martin Redovan	Financial Stmt Audit	CLA	No
Estero Fire District	Martin Redovan	Financial Stmt Audit	CLA	No
Hardee County Industrial Development Auth.	Michael E. Carter	Financial Stmt Audit	CLA	No
Hardee County School Board	Julie Fowler	Financial Stmt Audit	CLA	No
Heartland Library Cooperative	Julie Fowler	Financial Stmt and Single Audit	CLA	No
Hendry County School District Internal Funds	Julie Fowler	Financial Stmt Audit	CLA	No
Hernando County Housing Authority	Michael E. Carter	Financial Stmt and Single Audit	CLA	No
Highlands County Health Facility Authority	Julie Fowler	Financial Stmt Audit	CLA	No
Highlands County Hospital District	Julie Fowler	Financial Stmt Audit	CLA	No
Highlands Soil and Water Conservation District	Julie Fowler	Financial Stmt and Single Audit	CLA	No
Hillsborough County Aviation Authority	Martin Redovan	Financial Stmt and Single Audit	Authority	<b>YES</b>
Key West Housing Authority	Michael E. Carter	Financial Stmt and Single Audit	CLA	No
Lake Wales Housing Authority	Michael E. Carter	Financial Stmt and Single Audit	CLA	No
Matlacha and Pine Island Fire Control	Martin Redovan	Financial Stmt Audit	CLA	No
Monroe County Housing Authority	Michael E. Carter	Financial Stmt and Single Audit	CLA	No
Moore Haven Mosquito Control District	Martin Redovan	Financial Stmt Audit	CLA	No
Naples Airport Authority	Martin Redovan	Financial Stmt and Single Audit	Authority	<b>YES</b>
Pasco County Housing Authority	Michael E. Carter	Financial Stmt and Single Audit	CLA	No
Pinellas County Planning Council	Michael E. Carter	Financial Stmt Audit	CLA	No
Pinellas County Metropolitan Planning Organization	Michael E. Carter	Financial Stmt and Single Audit	CLA	No
Sanibel Fire and Rescue	Martin Redovan	Financial Stmt Audit	CLA	No
Sanibel Public Library	Martin Redovan	Financial Stmt Audit	CLA	No
Sebring Airport Authority	Martin Redovan	Financial Stmt and Single Audit	CLA	No
South Fork Community Development District	Martin Redovan	Financial Stmt Audit	CLA	No
Tampa Bay Area Regional Transportation Auth.	Michael E. Carter	Financial Stmt and Single Audit	CLA	No
Upper Captiva Fire Protection and Rescue	Martin Redovan	Financial Stmt Audit	CLA	No

**SECTION 7. SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENT ENTITIES**

CLA currently serves over 1,700 governments around the country. A partial list of municipalities audited outside of Florida includes:

Other Municipalities	
City of Cottonwood, AZ	Town of Elkton, MD
City of Douglas, AZ	City of Alberta Lea, MN
City of Mesa, AZ	City of Alexandria, MN
City of Nogales, AZ	City of Austin, MN
City of Phoenix, AZ	City of Brainerd, MN
City of Scottsdale, AZ	City of Brooklyn Park, MN
City of Sedona, AZ	City of Buffalo, MN
City of Tollenson, AZ	City of Crosby, MN
City of Williams, AZ	City of Dalton, MN
City of Winslow, AZ	City of Deland, MN
Lake Havasu City, AZ	City of Hopkins, MN
Town of Payson, AZ	City of Orthonville, MN
City of Golden, CO	City of South St. Paul, MN
City of Greeley, CO	City of Rio Rancho, NM
Village of Yorkshire, CO	Village of Angel Fire, NM
City of Anamosa, IA	City of Georgetown, TX
City of Dewitt, IA	City of Chippawa Falls, WI
City of Newark, DE	City of Durand, WI
City of Danville, IL	City of Kenosha, WI
City of Decatur, IL	City of Lady Smith, WI
City of Galesburg, IL	City of Loyal, WI
Town of Normal, IL	City of Wausau, WI
City of Rock Falls, IL	City of Wauwatosa, WI
City of Gathersburg, MD	Village of Spring, Valley, WI
City of Takoma Park, MD	Village of Weyerhaeuser, WI

**Experience Relating to the Issuance of General Obligation and Revenue Debt**

Many of our governmental clients have issued bonded debt. We have worked closely with our clients’ bond counsel, financial advisors, engineers and underwriters. Our services have included parity testing, certifications, comfort and consent letters. During the past five years, we have provided comfort or consent letters for the following official statements:

Sarasota County:

- Communication Services Tax Revenue Bonds, Series 2010
- Capital Improvement Revenue Bonds, Series 2010A and 2010B, 2010C
- Utility System Revenue Bonds, Series 2010A, 2010B
- Utility System Revenue Refunding Bonds, Series, 2011
- Utility System Revenue Refunding Bonds, Series, 2012

## SECTION 7. SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENT ENTITIES

Manatee County:

- Revenue Refunding Bonds, Series 2010
- Public Improvement Revenue Improvement Bonds, Series 2006
- Revenue Improvement Bonds, Series 2006

Polk County:

- Transportation Improvement Refunding Revenue Bonds, Series 2010
- Utility System Revenue Bonds, Series 2010 (Federally Taxable – Build America Bonds – Direct Subsidy)
- Capital Improvement Constitutional Fuel Tax Revenue Refunding Bonds, Series 2006
- Public Safety Capital Improvement Revenue Bonds, Series 2005

City of Largo:

- Gulf Breeze Revenue Bonds
- 1996 State Revolving Fund Loan

City of Winter Haven:

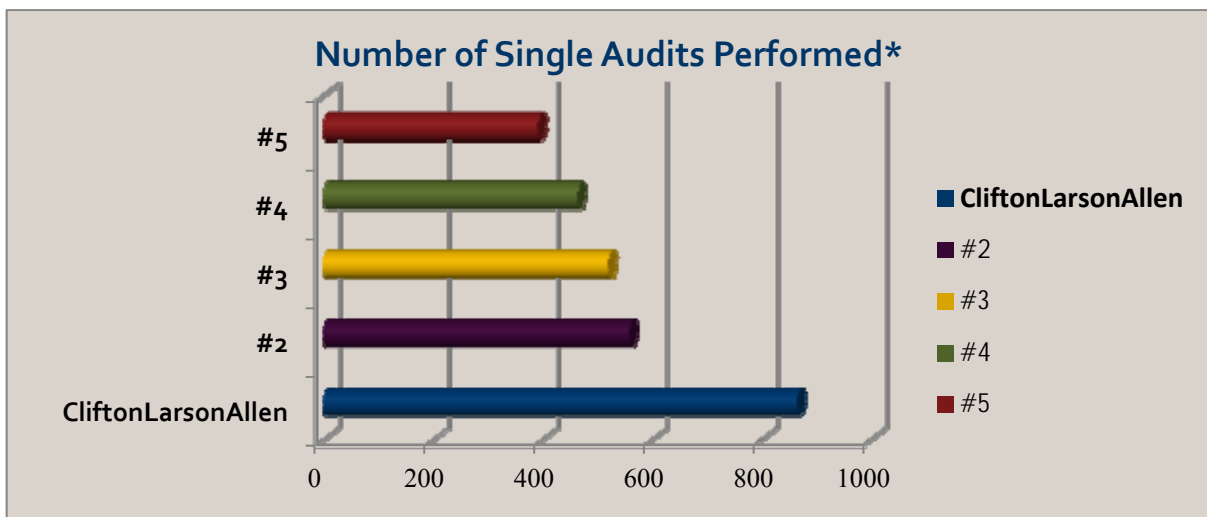
- Public Improvement and Refunding Revenue Bonds, Series 2007

### Experience with the GFOA Certificate of Achievement for Excellence in Financial Reporting

As noted above we have current experience assisting 12 Florida governments receive the GFOA Certificate of Achievement for Excellence in Financial reporting. Our Florida PGS group also includes two members of the Special Review Committee for the certificate. Nationally, we have over 150 governmental clients that receive the Certificate and we have more than a dozen members on the Special Review Committee for the certificate.

### Experience with OMB Circular A-133 and the Florida Single Audit Act

CLA performs A-133 single audits for over 850 organizations annually, ranking top in the nation for the number of single audits performed by any CPA firm. Many of the local governmental entities served by CLA receive federal funds and require a single audit in accordance with Office of Management and Budget (OMB) Circular A-133.



*\*The information for the ten firms with most single audits performed was pulled from the Federal Audit Clearinghouse for audits submitted between December 1, 2011 – November 30, 2012.*

**SECTION 7. SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENT ENTITIES**

Because we audit so many governmental entities, we are familiar with every federal and state grant the City receives and will perform a high quality audit in accordance with OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General of the State of Florida. Our designated single audit group stays current on all issues related to federal awards and the impact they may have on your single audit. For instance, the rules regarding audit thresholds where federal loans or loan programs are involved may impact the number of federal programs that must be audited as major programs.

Below represents major federal programs and state projects that we have audited within the past three years that were some of the larger federal programs and state projects of the City in either fiscal year 2012 or 2011:

CFDA/CSFA Number	Name of Project/Program	Audited by Engagement Team Member(s)
CFDA 14.241	Housing Opportunities for Persons with AIDS	Mike Carter, Kadian Douglas
CFDA 14.228	Community Development Block Grants	Mike Carter, Martin Redovan, Andrew Laflin, Kadian Douglas
CFDA 16.710	Public Safety Partnership and Community Policing Grants	Mike Carter
CFDA 20.205	Highway Planning and Construction	Mike Carter, Martin Redovan, Andrew Laflin, Kadian Douglas
CFDA 20.509	DOT Formula Grants	Mike Carter
CFDA 97.036	Disaster Grants – Public Assistance	Mike Carter, Martin Redovan, Andrew Laflin
CFDA 97.039	Hazard Mitigation Grant	Mike Carter
CSFA 55.007	Commuter Assistance/Rideshare Grants	Mike Carter, Martin Redovan, Andrew Laflin
CSFA 55.010	Public Transit Block Grant	Martin Redovan, Andrew Laflin

The partner, manager and staff members assigned to your audit have collectively performed hundreds of single audits and have received specialized training in governmental accounting, auditing and financial reporting. In addition, they receive training on the compliance requirements of OMB Circular A-133 and the Florida Single Audit Act and the use of the related compliance supplements.

In early 2012, the OMB sought public comment on its ideas to reform Circular A-133 and other grants management areas. Based on the feedback the agency received, the OMB recently issued updated proposed guidance, which is now available for review and public comment. The goal of the OMB is to streamline the single audit process. Among the proposed changes are an increase of the threshold for requiring single audits, change in the coverage threshold for both low-risk and other than low-risk auditees, changes in the major program determination process, criteria for determination of low-risk vs. other than low-risk auditees, reduction in the types of requirements to be tested, change in the level of detail and threshold for reporting questioned costs in auditor findings, streamlining of related OMB Circulars and guidance, and other various proposals. These changes may have an impact on the single audit of the City and we remain committed to working with City personnel to implement the changes and determine the impact these changes will have on the City.

## SECTION 8. SPECIFIC AUDIT APPROACH

### Proposed Segmentation of the Engagement

Our audit objective extends beyond the issuing of an opinion on financial statements. A good audit yields substantial information for management and is a valuable tool in recognizing opportunities and identifying areas that can be strengthened. An effective audit performed by our team also provides:

- An objective look at your policies and procedures
- Valuable suggestions for improvements in your financial operations and other areas
- An analysis of trends and unusual variations from year-to-year
- Protection for current and future resources through improved internal controls
- A deterrent to embezzlement and other fraudulent activities.

### Benefits of CLA's Risk-Based Approach

Our audit services are designed to protect the interests of management by concentrating on high-risk areas. Risk identification is the first step of the audit process, providing the basis upon which the overall plan is developed. Our risk assessment process involves consideration of the following types of risk:

- **Inherent risk** - that an error in the accounting and reporting process may occur
- **Control risk** - that internal control systems designed to prevent/detect errors may fail
- **Audit detection risk** - the risk that audit procedures may fail to detect errors

Through careful consideration of the risks and their interrelationships, we will develop an audit plan and related procedures that concentrate our efforts on those elements of your financial statements that involve the greatest risk. At the same time, we will avoid the unnecessary application of commonplace and traditional procedures to low-risk areas.

We expect that the majority of our audit hours will be concentrated in the high-risk audit areas. Our approach is not to review every account with extensive substantive testing. While substantive testing remains part of the process, we first identify relationships and truly learn about your operation

### Commitment to Communication with Management

Continual communication starts when an engagement letter is issued and continues until the completion or closeout of an engagement. We believe effective communication is critical to a successful engagement. This communication includes the exchange of ideas and advice as changes are considered or implemented by the entity or the accounting profession.

Upon notice of the issuance of an engagement letter, the engagement partner and the senior members of the team will meet with you to plan the start of the work, identify key contacts within the City, and to further discuss the audit process and timelines. We will be available to meet throughout the engagement, including having meetings to discuss any findings and internal control comments, and to review draft reports.

The engagement will be divided into four distinct segments; planning and strategy, systems evaluation, testing and analysis, and reporting and follow-up. Each of these segments, along with our approach, are described below.

## SECTION 8. SPECIFIC AUDIT APPROACH

### Phase 1 — Planning & Strategy

The main objective of the planning phase is to identify significant areas and design efficient audit procedures. We will accomplish our planning by following the methodology below:

- Conduct an entrance meeting with the Finance Directors of the City and other applicable members of management to mutually agree on an outline of responsibilities and timeframes. The agenda will include but not be limited to the following:
  - Establish audit approach and timing schedule,
  - Assistance to be provided by the City's personnel,
  - Application of generally accepted accounting principles,
  - Initial audit concerns,
  - Concerns of the City's management,
  - Establishment of report parameters and timetables,
  - Progress reporting process, and
  - Establish principal contacts.
- Work with management to confirm our understanding of the operations of the City, including any changes in its organization, management style and internal and external factors influencing the operating environment. We will utilize reference materials such as the budget and related materials, organizational charts, manuals and programs, and financial and other management information systems.
- Identify significant accounts and accounting applications, critical audit areas, significant provisions of laws and regulations, and relevant controls over operations.
- Determine the likelihood of effective Information Systems (IS) related controls.
- Perform a preliminary overall risk assessment.
- Confirm protocol for requesting information from and meeting with the finance office staff.
- Establish a timetable for the fieldwork phase of the audit.
- Determine a protocol for using Interactive Data Extraction and Analysis (IDEA), our data extraction and analysis software, to facilitate timely receipt and analysis of reports from management.
- Compile an initial comprehensive list of items to be prepared by the City and establish mutually agreed upon deadlines.



We will document our planning through preparation of the following:

- **Entity Profile.** This profile will help refine our understanding of activities, economic conditions, organizational structure, management, key employees and regulatory requirements.
- **Preliminary Analytical Procedures.** These procedures will assist in planning the nature, timing and extent of auditing procedures that will be used to obtain evidential matter. They will focus on enhancing our understanding of the financial results, and will be used to identify any significant transactions and



## **SECTION 8. SPECIFIC AUDIT APPROACH**

events that have occurred since the last audit date, as well as to identify any areas that may represent specific risks relevant to the audit.

- **General Risk Analysis.** This will contain our overall audit plan, including materiality calculations, fraud risk assessments, overall audit risk assessments, effects of our Information Systems assessment, timing, staffing, client assistance, a listing of significant provisions of laws and regulations and other key planning considerations.
- **Account Risk Analysis.** This document will contain the audit plan for the financial statements, including risk assessment and the extent and nature of testing by assertion.
- **Prepared by Client Listing.** This document will contain a listing of schedules and reports to be prepared by City personnel with due dates for each item.

One of the key elements in the planning of this audit engagement will be the heavy involvement of partners and managers. We will clearly communicate any issues in a timely manner, and will be in constant contact with the City as to what we are finding and where we expect it will lead.

We will develop our audit programs during this phase. Utilizing the information we have gathered and the risks identified, we will produce an audit program specifically tailored to the City. This program will detail by major section the nature and types of tests to be performed. We view our programs as living documents subject to change as conditions warrant. We will hold an entrance conference with the City to discuss the audit timeframes and will meet the appropriate City personnel at least one month prior to the start of each audit.

### ***Phase 2 — Systems Evaluation***

During the systems evaluation phase, we will confirm our understanding of the internal control structure of the City for financial accounting and relevant operations. Next, we will identify control objectives for each type of control that is material to the financial statements, and then identify and gain an understanding of the relevant control policies and procedures that effectively achieve the control objectives. Finally, we will determine the nature, timing and extent of our control testing and perform tests of controls.

This phase of the audit will include testing of controls:

- Over electronic data, including general and application controls reviews and various user controls
- Over financial reporting and compliance with laws and regulations

We will test controls over each critical audit area. One of our audit efficiency initiatives is to rely heavily on internal controls when appropriate and to creatively look at internal control testing to make it as efficient as possible. This means not routinely performing detailed tests of transactions using large samples. We first seek to identify key controls, and then identify possible testing through alternative methods, such as observation, interviews and re-performance. These tests serve not only to gather evidence about the existence and effectiveness of internal control for purposes of assessing control risk, but also to gather evidence about the reasonableness of an account balance.

We will also develop our internal control tests to assess the compliance with certain provisions of laws, regulations, contracts and grants for which noncompliance could have a direct and material effect on the determination of financial statement amounts. Our use of multi-purpose tests allows us to provide a more efficient audit without sacrificing quality.

Our assessment of internal controls will determine whether the City has established and maintained internal controls to provide reasonable assurance that the following objectives are met:

- Transactions are properly recorded, processed and summarized to permit the preparation of reliable financial statements and to maintain accountability over assets

## **SECTION 8. SPECIFIC AUDIT APPROACH**

- Assets are safeguarded against loss from unauthorized acquisition, use or disposition
- Transactions are executed in accordance with laws and regulations that could have a direct and material effect on the financial statements

We will finalize our audit programs during this phase. We will also provide an updated Prepared by Client Listing based on our test results and our anticipated substantive testing.

### **Information Systems Controls**

During the internal control phase, we will also perform a review of general and application Information Systems (IS) controls for the applications that are significant to financial statements to conclude whether IS general controls are properly designed and operating effectively, and consider application controls as part of the internal control assessment in the financial statement audit. Our strategy for the IS review of the applications will involve reviewing all of the general control activities, including the computerized and manual processes. The scope of our review will be specifically focused to identify and evaluate internal controls and security features implemented by management which protect the integrity of transactions and data, with potential direct impact to financial reporting.

CLA will segment the IS controls review into the following control domains:

- *Organization & Management Controls*
  - Information security policy and procedure manual
  - Roles and responsibilities
  - Background security checks
  - Organization chart
- *Application Security Administration & Access Controls*
  - User access reviews
  - Password assignment/revocation procedures
  - Physical/logical security
- *Systems Administration Controls*
  - User account
  - Password policy
  - Software patch management and change management
- *Disaster Recovery and Contingency Planning*
  - DRP plan
  - Data tape backups
- *Information Technology – General Controls*
  - Vendor management policy
- *Operational Controls*
  - *Change management policy for custom developed software, licensed software, and hardware*
  -

### **Phase 3 – Testing & Analysis**

The extent of our substantive testing will be based on results of our internal control tests. It has been our experience that governmental entities, like Pinellas City, often have a system of internal control that, with appropriately designed tests and correlation to account balances, can be used to limit the extent of account balance substantiation testing.

**SECTION 8. SPECIFIC AUDIT APPROACH**

Our workpapers during this phase will clearly document our work as outlined in our audit programs. We will also provide the City with status reports during the course of the audit fieldwork. As in all phases of the audit, we will be in communication with the City to ensure that all identified issues are resolved in a timely manner. We will also hold a final exit conference with the City to summarize the results of our fieldwork and review significant findings.

Our audit procedures during fieldwork testing will focus on the following areas:

Audit area	Activity
Cash, Cash Equivalents and Investments	We will confirm your cash and investment balances, and test reconciliations to determine that they are prepared properly and timely. We will determine that the City is in compliance with its investment policy and Florida Statutes and the disclosure requirements of GASBS No. 40 <i>Deposit and Investment Risk Disclosure</i> .
Capital Assets	We may test additions and disposals of capital assets during the year and will perform analytical procedures on depreciation expense and repairs and maintenance expense. We will consider asset impairment issues, the timeliness of completed capital projects placed in service.
Accounts Payable and Expenditures/Expenses	We will review subsequent payments and unpaid invoices to assure that the cutoff of expenditures/expenses between years is materially correct. We will perform analytical reviews of expenditures/expenses by comparing current year amounts to the prior year and budget.
Payroll Related Expenditures and Accruals	Payroll and related items comprise a significant amount of overall operating expenditures/expenses for each reporting unit. Our audit procedures will include testing of internal controls over the processing of payroll and predictive tests on payroll accruals and payroll expenditures/expenses based on such factors as changes in full-time equivalents and pay rate increases over the prior year.
Bonds, Notes and Leases Payable	Our procedures will include obtaining understanding the debt obligations by reviewing the related agreements and other documents. We will gain an understanding of all new debt obligations and any changes to existing debt obligation during the interim period. We will also confirm the debt balances at year end, test compliance with related covenants, and perform analytical procedures on interest expense.
Net Assets (Net Position) /Fund Balances	We will review the activity within each class of net assets/fund balance, including review of minutes for changes in commitments by the governing body, to ensure compliance with GASB 54.
Revenue and Receivables	We will confirm various revenue amounts with the Florida Department of Revenue, and federal, state and local grantor agencies. We will analytically review revenue of the enterprise funds and perform detailed tests as deemed necessary. We will evaluate the adequacy of the allowance for uncollectible accounts and perform retrospective reviews of management’s prior year estimates. We will also determine that proper cutoff was achieved for receivables recorded.
Single Audit	We will make a determination of major federal programs and state projects and test for compliance with the requirements that could have a direct and material effect on each major program or project.
Non Routine Accounting Estimates	Estimates of self-insurance reserves, landfill disclosures, pension and other postemployment benefits require the use of specialists. It is our responsibility to assess the qualifications of specialists used as well as assess the accuracy and completeness of the information provided to them.
Required Disclosures	Procedures must be applied to ensure that all required disclosures are made for the various financial statement amounts and corresponding activities. As part of the audit, we will ensure the required disclosures are audited and included in the financial reports by the completion of the appropriate disclosure checklists.

## **SECTION 8. SPECIFIC AUDIT APPROACH**

### ***Phase 4 — Reporting & Follow-Up***

Reports to management will include oral and/or written reports regarding:

- Independent Auditors' Report
- Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an audit of Financial Statements Performed in Accordance with *Government Auditing Standards*
- Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General of the State of Florida
- Schedule of Expenditures of Federal Awards and State Financial Assistance
- Schedule of Findings and Questioned Costs
- Independent Auditors Report on Debt Compliance
- Management Letter
- Data Collection Form as required by OMB Circular A-133
- Written Communication to Those Charged with, which includes the following areas:
  - Our responsibility under auditing standards generally accepted in the United States of America
  - Changes in significant accounting policies or their application
  - Unusual transactions
  - Management judgments and accounting estimates
  - Significant audit adjustments
  - Other information in documents containing the audited financial statements
  - Disagreements with the City's management, if any
  - City's consultations with other accountants
  - Major issues discussed with management prior to retention
  - Difficulties encountered in performing the audit
  - Fraud or illegal acts

Once the final reviews of working papers and financial statements are completed, which is a process that actually starts while the fieldwork is in process, our opinion, the financial statements and management letter will be issued.

We will provide the City a draft of any comments that we propose to include in the management letter or schedule of findings and questioned costs, enabling you to review the comments for accuracy prior to final release. Any items that come to our attention that are not what we consider major items may be discussed verbally with management and not included in the management letter. Our management letter will include items noted during our analysis of your operations. We will also make a formal presentation of the results of the audits to governance (City Commissioners).

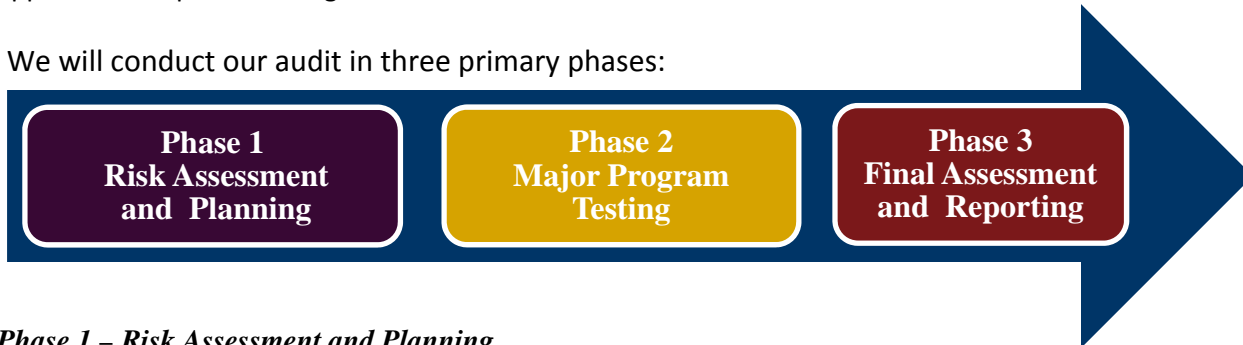
### **Single Audit Approach**

In the current environment of increased oversight, it is more important than ever to find qualified A-133 auditors who have significant experience with federal grants and can ensure the quality of the City's single audit. Therefore, the single audit will be performed by a team of individuals who specialize in single audits in accordance with OMB A-133 and who will offer both knowledge and quality for the City. As part of our quality control process, it will be reviewed by a firm Designated Single Audit Reviewer (DSAR).

## **SECTION 8. SPECIFIC AUDIT APPROACH**

The AICPA issued new guidance on AU Section 801 – “Compliance Audits” to require risk-based concepts to be used in all compliance audits including those performed in accordance with OMB Circular A-133. Our risk-based approach incorporates this guidance.

We will conduct our audit in three primary phases:



### ***Phase 1 – Risk Assessment and Planning***

The risk assessment and planning phase will encompass the overall planning stage of the A-133 engagement. During this phase, we will work closely with the City’s management to ensure that programs and all clusters of programs are properly identified and risk-rated for determination of the major programs for testing. We will also review the forms and programs utilized in the prior year to determine the extent of any changes which are required.

We will accomplish this by following the methodology below:

- Determine the threshold to distinguish between Type A and B programs, including the effect of any loans and loan programs.
- Utilizing the preliminary Schedule of Expenditure of Federal Awards, we will identify the Type A and Type B programs in accordance with Circular A-133 and ARRA requirements, if applicable.
- Identifying the programs tested and the findings reported for the past three fiscal years. Determine and document the program risk based on the past three single audits.
- Prepare and distribute Type B program questionnaires to determine risk associated with Type B programs.
- Determine the major programs to be tested for the current fiscal year based on the previous steps.
- Based on our determination of the major programs, we will obtain the current year Circular A-133 compliance requirement supplement to aid in the determination of Direct and Material Compliance requirements, and customize the audit program accordingly.
- Prepare and distribute templates to the City’s management to obtain the Summary Status of Prior Year Findings.
- Determine the preferred methods of communication during the audit.

### ***Phase 2 – Major Program Testing***

We will determine the programs to be audited based on the risk assessment performed in the planning phase. We will perform the audit of the programs in accordance with Circular A-133. To accomplish this, we will perform the following:

- Schedule an introductory meeting and notify the City’s management of the major programs for the current fiscal year.
- Plan and execute the testing of the expenditures reported on the Schedule of Expenditures of Federal Awards.
- Perform tests of compliance and internal controls over compliance for each major program identified.

**SECTION 8. SPECIFIC AUDIT APPROACH**

- Schedule periodic progress meetings to determine that schedules are adhered to and identify issues as they arise.
- Conduct entrance and exit conference meetings with each grant manager.

**Phase 3 – Final Assessment and Reporting**

We will re-perform the steps noted in the preliminary assessment and planning stage once the final Schedule of Expenditures of Federal Awards is received to determine if additional major programs were identified. Based on the final determination of the programs we will perform the following:

- Identify Type A and Type B programs which were not previously identified.
- Re-assess the risk and determine if we are required to audit additional programs.
- Perform compliance testing at the entity wide level related to procurement and cash management requirements.
- Perform testing to validate the status of prior year findings for those programs not selected for audit
- Prepare the Schedule of Findings and Questioned Costs.
- Conduct exit conference with the City’s management to review draft reports.

**Proposed Segmentation: Timetable**

We are committed to meeting your specified timelines and deadlines. The following table outlines the key phases of the engagement and illustrates our tentative schedule to serve you:

Timing	Segment	Service Delivery
September	Planning & Strategy	Meet with management to develop an understanding of time lines and expectations for our team for interim procedures.
September	Planning & Strategy	Meet with representatives of the City. The meetings will include but are not limited to the required SAS 99 Fraud Brainstorming Session designed to identify fraud risks; a discussion of the proposed audit plan; and any additional audit testing or risks the City would want us to address. Provide management with an audit plan and Client Assistance Letter specifying items that management will need to prepare or make available for our audit teams including delivery dates.
September/October	Planning & Strategy; Systems Evaluation; Testing & Analysis	Conduct planning and control testing procedures, including testing of identifiable major grant programs.
January/February	Testing & Analysis	Conduct audit fieldwork, which includes performing the majority of our tests of accounting records. Specific procedures will include: <ul style="list-style-type: none"> <li>• Analysis and review of supporting documentation provided by you relating to significant transactions and account balances.</li> <li>• Confirmation of account balances and certain contractual arrangements with outside parties.</li> <li>• Inquiries of management related to accounting estimates and accounting procedures, and the handling and classification of various transactions and account balances.</li> <li>• Analyses of accounts and financial relationships, which will require access to personnel outside of the accounting office.</li> </ul>
	Reporting & Follow-up	We will draft the reports, letter of recommendations, and our communication letter resulting from our audit.

**SECTION 8. SPECIFIC AUDIT APPROACH**

Timing	Segment	Service Delivery
March	Reporting & Follow Up	Communication of the findings and a presentation of the report draft and letters to management. The wrap-up and exit conference is a valuable benefit of the audit process. We will discuss insights we have about your operations, internal control and other areas.
March	Reporting & Follow Up	Present final copies of the financial statements to the City

**Extent of Use of EDP Software in the Engagement**

Where appropriate, we will use CaseWare’s IDEA (IDEA) software. IDEA is a file interrogation, or data analysis, tool that facilitates an efficient audit of large volumes of transactions. IDEA is able to read electronic downloads of transactions in many different formats, including text files, spreadsheet files print report, pdf and database files. Potential applications for IDEA at the City may include the following:



- Sampling for testing of internal controls
- Sampling of disbursements
- Selection of journal entries related to identified fraud risks, as required by Statement on Auditing Standards No. 99
- Summation of large volumes of similar transactions or sub-ledgers to determine agreement to the general ledger

In addition, we use other applications for the selection of random samples for testing and to extract information directly from your data files for testing and analytical analysis.

Our team uses a paperless audit process. We will import the data from your trial balance to create lead sheets and to link the financial statements. We will utilize work papers prepared by your staff in any of a number of software formats to document the work performed. At the point of issuance of the financial statements, we will also provide you with an electronic version of the financial statements and management letter.

We utilize ProSystem fx Engagement software to manage our paperless audit process. All year-end account analysis schedules as prepared by the organization’s financial staff in Excel are easily imported into Engagement. Additionally, the individual laptop computers of our entire audit team are electronically linked via a portable network “hub” and each audit team is equipped with a portable scanner for audit evidence that is not in an “Excel/Word” format. This approach maximizes efficiency for our audit team and your organization’s financial staff.



We use a secure file transfer system called **LeapFile** for the sole purpose of transferring files between our offices and clients. Clients can use this system to upload information for us by simply going to our website. This website notifies the receiving employee when a transferred file is available for download. Clients using this site have restricted access to ensure the security of other client accounts.



## SECTION 8. SPECIFIC AUDIT APPROACH

### Working Paper Retention

CliftonLarsonAllen will retain all working papers and reports for the audit(s) of the City for a period of seven (7) years, unless we are notified by you of the need to extend the retention period. We will make our working papers available at no charge, upon request, to authorized personnel of the City, as well as representatives of the cognizant Federal Audit Agency, the General Accounting Office, or the State of Florida Auditor General, if applicable. In addition, our firm will respond to the inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

### Level of Staff Assigned to Each Proposed Segment

Segment	Number of Hours by Segment						
	Hours	Partners	IT Manager	Manager	Senior	Staff	Administrative
Planning & Strategy	88	8		16	44	20	-
Systems Evaluation	124	8	6	24	6	80	-
Testing & Analysis	398	16		32	130	220	-
Reporting & Follow-up	124	24		32	32	12	24
<b>Total</b>	<b>734</b>	<b>56</b>	<b>6</b>	<b>104</b>	<b>212</b>	<b>332</b>	<b>24</b>

### Type and Extent of Analytical Procedures to be used in the Engagement

In accordance with U.S. generally accepted auditing standards AU Section 329, *Analytical Procedures*, analytical review procedures will be performed in the planning process and during the final review stage of the audit. In addition, analytical procedures will be performed as part of our year end substantive testing. An example of analytical procedures performed during planning activities will include comparison of actual results to the budget (as amended) through the use of the City’s normally generated reports. Examples of analytical procedures employed during our substantive testing include a predictive test for return on investments, and predictive tests of year end accruals. Other substantive procedures may be supplemented by analytical procedures, depending on our audit risk assessment process.

### Approach to be taken to Gain and Document an Understanding of Internal Control

Refer to *Proposed Segmentation of the Audit* section, specifically Phase 2 – Systems Evaluation and Phase 3 – Testing and Analysis, for a description of the approach to be taken to gain and document an understanding of City’s internal control structure, and how reliance on internal controls can reduce substantive procedures during the course of the audit

### Determining Laws and Regulations

Statement on Auditing Standards AU Section 801, *Compliance Audits*, establishes standards for testing and reporting on compliance with laws and regulations. We will perform tests to determine the City’s compliance with certain provisions of laws and regulations (Florida Statutes, Florida Administrative Code, Federal Rules and the City’s own significant policies), contracts, debt agreements and grant agreements where noncompliance could have a **direct and material effect** on the financial statements.

The institutional knowledge and experiences that our local engagement team members have gained while auditing these Florida counties and municipalities, both large and small, have prepared our proposed engagement team to be able to swiftly handle any compliance or regulatory issue that may arise during the

## **SECTION 8. SPECIFIC AUDIT APPROACH**

audit of the City. For instance, we have developed standardized testing templates and provided in depth training to our Florida local government audit professionals in order to better equip them to tackle issues that are typically unique to Florida governments, such as the following:

- The determination as to whether or not the City complied with Section 218.415, Florida Statutes, regarding the investment of public funds
- Verification that the City has complied with Section 166.241, Florida Statutes, regarding adoption and reporting of annual budget, such as the minimum information required to be included in the budget, when the budget must be posted on the City's website after adoption, requirements on posting budget amendments, and so on
- The evaluation of debt covenant compliance requirements, such as the need for sinking fund requirements, other reserve funds that may be required (such as an operating reserve fund, repair and replacement fund, rate stabilization fund, etc.), or financial covenants that must be met (such as the debt service coverage ratio)
- Analysis of arbitrage earnings and whether excess earnings must be rebated to the IRS (required every five years or upon maturity of the bonds, whichever is earlier), as required by federal law
- Performance of necessary audit procedures relating to a community redevelopment agency, such as obtaining a copy of the community redevelopment plan,, determining that the tax increment financing revenues have been properly calculated, and verifying that disbursements out of the community redevelopment agency trust fund have been spent only for undertakings described in the community redevelopment plan
- Application of financial condition assessment procedures pursuant to Sections 10.554(1)(i)7.c. and 10.556(7), Rules of the Auditor General of the State of Florida, and determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes and Chapter 2012-38, Laws of Florida.

### **Approach in Drawing Audit Samples**

We follow the guidance of AU Section 350, *Audit Sampling*, in using statistical and nonstatistical approach. We use quality control materials in all our audit engagements. These forms guide our staff through a logical process of assessing inherent risk, control risk, and combined audit risk, followed by an assessment of appropriate sample size for testing.

Sample sizes will vary depending on the nature of the testing (compliance versus substantive) and the size of the population being sampled. Sampling techniques are utilized in compliance and internal control testing, as well as substantive testing of certain asset and liability account balances. Sample sizes used for internal control testing depend on a number of factors, namely the number of expected or actual control deviations, size of the population, and level of control assurance anticipated. Sample sizes can range from 20 to 90 potential selections.

To illustrate, if no internal control deviations are anticipated and the frequency of the population (i.e., the number of times the control is performed in a given year) is less than 100, then we will test 20 transactions in order to obtain moderate control assurance. If two internal control deviations are anticipated, and the frequency of the population is greater than 200, then we will test 90 transactions in order to obtain low control assurance. We are usually able to cover a substantial portion of the compliance and controls testing with one sample, resulting in a very efficient approach.

## SECTION 9. IDENTIFICATION OF ANTICIPATED POTENTIAL AUDIT PROBLEMS

The issues that we initially foresee are transition and financial reporting matters related to the issuance of new and emerging standards as determined by GASB

### Transition Plan

An area of concern that is commonly encountered during transition to new engagements is the start-up time required to familiarize ourselves with your operations. As previously stated, upon appointment as auditors, we will initiate a planning meeting with the appropriate management of the City. This meeting will take place shortly after we are notified about your selection. The purpose of the meeting will be to:

- Review our approach and roles, and solicit comments and concerns
- Schedule work
- Establish key meeting and reporting dates
- Review the audit requirements

We recognize changing accounting firms presents an opportunity as well as a challenge. Our service approach effectively minimizes the impact of client transition issues.

Management may be concerned about the potential disruption of its personnel during the transition period while the new firm becomes familiar with your operations. We have addressed this concern by structuring our transition process to gain a thorough understanding of your operations. That process has been successfully applied for numerous organizations in the past.



Our approach to transition includes:

- A well-structured, experienced engagement team
- More intensive involvement by partners and managers in the transition year
- Careful and complete communications at all levels of the team to resolve issues and concerns
- User-friendly audit tools
- Use of review of prior auditor’s workpapers as a way to gather pertinent historical accounting information and documents to limit your team’s time in producing them for us

## SECTION 9. IDENTIFICATION OF ANTICIPATED POTENTIAL AUDIT PROBLEMS

All transition activities will involve the on-site participation of the audit service team in order to:

- Focus our efforts only upon relevant matters
- Avoid unnecessary efforts by your personnel
- Make the audit process more responsive

### Implementation of New GASB Statements

The members of our Government Services Team receive specific training and have extensive experience related to new pronouncements. By attending technical sessions in the accounting, auditing, and financial reporting fields, our team is able to provide timely and comprehensive coverage of all GASB topics.

We have the knowledge and the expertise to assist the City with understanding and interpreting new GASB, and other regulatory body statements issued during the term of the contract. We take a very proactive approach related to new GASB pronouncements. We routinely review pronouncements in the exposure draft stage to determine their effect on our clients. When indicated, we work with clients and other organizations to help develop responses. We review final pronouncements and discuss the impact of them with clients well in advance of the annual audit. We also offer a full day educational seminar (8 CPE hours) free of charge offered to employees and elected officials of all local governments (counties, cities, special districts, etc.) throughout eastern and central Florida. A portion of our annual local government seminar is devoted to updating our attendees on upcoming GASB statements and exposure drafts.

For your convenience, we have broken down the recent and pending changes by source, and the potential impact they may have on the City in the following chart:

GASB – Recent and Pending	
Description of Statement	Potential Impact on the City
<ul style="list-style-type: none"> <li>• <b>GASB No. 63, “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position”</b> – This Statement provides financial reporting and guidance for deferred outflows of resources and deferred inflows of resources. The requirements of this Statement will improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government’s net position. This Statement is effective for fiscal year 2013.</li> </ul>	<p>We believe the Statement of Net Assets should be reviewed to ensure the City meets the requirements of this standard upon adoption.</p>
<ul style="list-style-type: none"> <li>• <b>GASB No. 64, “Derivative Instruments: Application of Hedge Accounting Termination Provisions – an amendment of GASB Statement No. 53”</b> – This Statement clarifies whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty’s credit support provider. This Statement sets forth criteria that establish when the effective hedge relationship continues and hedge accounting should continue to be applied. This statement is effective for fiscal year 2013.</li> </ul>	<p>This statement will have an impact on the City’s financial statements if it engages in transactions involving derivative instruments, such as fuel hedging contracts or interest rate swaps.</p>

**SECTION 9. IDENTIFICATION OF ANTICIPATED POTENTIAL AUDIT PROBLEMS**

GASB – Recent and Pending	
Description of Statement	Potential Impact on the City
<ul style="list-style-type: none"> <li> <b>GASB Statement No. 65 “Reporting Items Previously Recognized as Assets and Liabilities”</b> – The objective of this Statement is to reclassify certain items reported as assets and liabilities to deferred outflows of resources or deferred inflows of resources. This Statement also provides financial reporting guidance related to the impact of the financial statement elements deferred outflow of resources and deferred inflows of resources, such as changes in major fund calculation and use of the term deferred. This Statement is effective for fiscal year 2014.                 </li> </ul>	<p>We believe the Statement of Net Assets should be reviewed to ensure the City meets the requirements of this standard upon adoption.</p>
<ul style="list-style-type: none"> <li> <b>GASB Statement No. 66 “Technical Corrections – an Amendment of GASB Statements No. 10 and 62”</b> – The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two recent pronouncements, Statements No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. This statement is effective for fiscal year 2014.                 </li> </ul>	<p>This statement may have an impact on the City’s financial statements, depending on how the City accounts for certain lease activities.</p>
<ul style="list-style-type: none"> <li> <b>GASB statement No. 67, Financial Reporting for Pension Plans</b> – This Statement revises and replaces Statement nos. 25, Financial Reporting for Defined Pension Plans and Note Disclosures for Defined Contribution Plans, as well as 50, Pension Disclosures as they relate to governmental pension plans that are administered as trusts or equivalent arrangements that meet certain criteria. This Statement establishes standards for financial reporting that outlines the basic framework for separately issued financial reports and specifies the required approach to measuring the liability of employers(s) and certain non-employer contributing entities, about which information is required to be disclosed.                 </li> <li>                     The Statement distinguishes between the following types of plans and provides specific guidance:                     <ul style="list-style-type: none"> <li>Single-employer plans</li> <li>Agent multiple-employer plans</li> </ul> </li> <li>Cost sharing multiple-employer plans</li> <li>                     The Statement also provides details on the required note disclosures for defined contribution pension plans administered through trusts that meet the required criteria. This Statement is effective for fiscal year 2014.                 </li> </ul>	<p>This statement will likely have an impact on the City’s financial statements due to its participation on the single-employer retirement plan for general employees and for its police and fire departments.</p>

**SECTION 9. IDENTIFICATION OF ANTICIPATED POTENTIAL AUDIT PROBLEMS**

GASB – Recent and Pending	
Description of Statement	Potential Impact on the City
<ul style="list-style-type: none"> <li> <p><b>GASB statement No. 68 –Accounting for Pension by State and Local Governmental Employers</b> – This Statement revises and replaces Statement nos. 27, Accounting for Pensions by State and Local Government Employers, as well as 50, Pension Disclosures as they relate to governmental employers that account for pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The objective of this Statement is to establish standards for governmental employer recognition, measurement, and presentation of information about their liability for governmental defined benefit pension plans. This Statement will have a profound impact on requiring acceleration of the recognition of the pension liability and added disclosures. Liabilities would be recorded based on actuarial liabilities, net of actuarial assets instead of the current requirement to only record a liability based on the deficiency of annual required contributions. This statement is effective for fiscal year 2015.</p> </li> </ul>	<p>This statement will likely have an impact on the City’s financial statements due to its participation on the single-employer retirement plan for general employees and for its police and fire departments.</p>
<ul style="list-style-type: none"> <li> <p><b>GASB Statement No. 69 - Government Combinations and Disposals of Government Operations</b> – This Statement would provide guidance for identifying government combinations. This Statement would require identification of whether a government combination is a government merger or a government acquisition. This Statement would require measurements of assets acquired and liabilities assumed generally to be based upon their acquisition values.</p> </li> <li> <p>This Statement would also require disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions. The requirements of this Statement would be effective for financial statements for periods beginning after December 15, 2013, and would be applied on a prospective basis.</p> </li> </ul>	<p>Assuming the City does not merge with another governmental entity, this proposed statement will not have an impact on the City’s financial statements.</p>

**SECTION 9. IDENTIFICATION OF ANTICIPATED POTENTIAL AUDIT PROBLEMS**

Future Standards	
Description of Statement	Potential Impact on the City
<ul style="list-style-type: none"> <li> <b>Accounting and Financial Reporting for Non-exchange Financial Guarantee Transactions</b> – This Statement would require a government that extends a non-exchange financial guarantee to recognize a liability and an expense in financial statements prepared using the economic resources measurement focus, when qualitative factors or historical data indicate that it is more likely than not that the government will make a payment on the guarantee. The amount of the liability would be the best estimate of the future outflows expected to be incurred. When there is no best estimate but a range of the estimated future outflows can be established, the amount of the liability would be the minimum amount within the range. This Statement would require a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to report a liability until legally released as an obligor. When a government is released as an obligor, the government would recognize revenue as a result of being relieved of the obligation. This Statement also would clarify the information required to be disclosed by governments that extend and receive non-exchange financial guarantees.                 </li> <li>                     The provisions of this Statement would be effective for periods beginning after June 15, 2013. Earlier application would be encouraged. Except for disclosures related to cumulative amounts paid or received in relation to a financial guarantee, the provisions of this Statement would be required to be applied retroactively. Disclosures related to cumulative amounts paid or received in relation to a financial guarantee may be applied prospectively                 </li> </ul>	<p>This proposed statement will likely not have a significant impact on the City’s financial statements unless it has entered into any non-exchange financial guarantee transactions.</p>
<ul style="list-style-type: none"> <li> <b>Economic Condition reporting: Financial Projections</b> – This preliminary views document requested responses to eight questions related to anticipated standards on economic condition reporting and the requirement for financial projections.                 </li> </ul>	<p>This proposed statement will likely have an impact on the City’s financial statements due to the nature of the information that will be required to be disclosed.</p>



## **COST PROPOSAL**

Our fees are based on the timely delivery of services provided, the experience of personnel assigned to the engagement, and our commitment to meeting your deadlines.

CLA understands the importance of providing our clients with value-added solutions. We propose to provide routine, proactive quarterly meetings – as part of our fee – that will allow us to review and discuss with you the impact of new accounting issues, as well as any other business issues you are facing and how they should be handled. This level and frequency of interaction will, no doubt, enable CLA to help you tackle challenges as they come up and take full advantage of every opportunity that presents itself.

We have found over the years that our clients don't like fee surprises. Neither do we. We commit to you, as we do all of our clients, that—

- We will be available for brief routine questions at no additional charge, a welcome investment in an on-going relationship.
- Any additional charges not discussed in this proposal will be mutually agreed upon up front.
- We will always be candid and fair in our fee discussions, and we will avoid surprises.

Our fees are billed monthly as work progresses, with payment expected within 30 days of the invoice date. Electronic payments are accepted in addition to paper checks.

<b>SCHEDULE OF RATES FOR ADDITIONAL PROFESSIONAL SERVICES</b>	
	Hourly Rates
Principal	\$ 225
Manager	\$ 175
Senior	\$ 150
Staff	\$ 125
Administrative	\$ 75
IT Partner	\$ 245
IT Manager	\$ 200

The fee proposal is based on the following—

- The City's personnel will provide assistance periodically throughout the year and during the assurance fieldwork with regard to account analysis and provision of year-end account reconciliation workpapers and schedules.
- The City's personnel will prepare the year-end workpapers and schedules to the extent performed in prior years, which we will complete, review, and examine.
- The assurance reports will be delivered in accordance with the City's deadlines.
- Satisfactory completion of our firm's normal client acceptance procedures.
- Professional standards and regulations currently in effect. We reserve the right to modify your proposed fee if professional standards or regulations change for any engagement period.
- No significant changes in the operations of the City subsequent to the date of this proposal.

**COST PROPOSAL**

<b>SCHEDULE OF PROFESSIONAL FEES AND EXPENSES</b>			
<b>FOR THE AUDIT OF THE FINANCIAL STATEMENTS</b>			
	Hours	Quoted Hourly Rates	Total
Principals	56	\$ 225	\$ 12,600
Manager	104	175	18,200
Senior	212	150	31,800
Staff	332	125	41,500
Administrative	24	75	1,800
IT Manager	6	200	1,200
Subtotal			107,100
Out-of-pocket expenses			19,200
Discount			-18,000
Total			\$ 108,300

**Ongoing consultation**

We do not anticipate the City will receive additional billings related to the annual audit procedures, as we anticipate cooperation from staff and receipt of information for timely completion of your audit. It is also our policy not to bill you for routine telephone calls. Our quoted fee includes routine general consultation throughout the year; however, if you seek a written opinion or if the issue requires us to perform research, we will bill you at our standard rates for these services. We will discuss these fees with you before we conduct our work.

We have a 24-48 hour response policy to return calls/emails from your supervisory committee, board, or management to provide effective and timely communication. CLA’s personnel are always available to provide assistance by telephone without additional cost to you. If the person you need to talk to is not available at the time you call, we will contact him/her and have them get back to you. We have a number of qualified partners on our staff that can provide you with timely and competent assistance.

**ANTI-KICKBACK AFFIDAVIT**

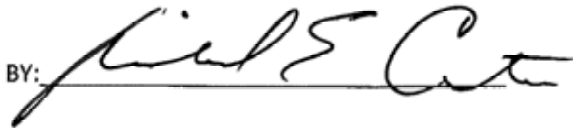
ANTI-KICKBACK AFFIDAVIT

STATE OF FLORIDA

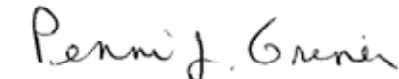
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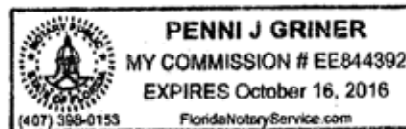
COUNTY OF MONROE

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: 

sworn and prescribed before me this *25<sup>th</sup>* day of *June*, 2013

  
NOTARY PUBLIC, State of Florida  
County of Polk  
My commission expires: October 16, 2016



**PUBLIC ENTITY CRIMES CERTIFICATION – PAGE 1**

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 Michael E. Carter  
(print individual's name and title)  
For CliftonLarsonAllen LLP  
(print name of entity submitting sworn statement)  
whose business address is 811 E. Main Street, Lakeland, FL 33801  
and (if applicable) its Federal Employer Identification Number (FEIN)  
is 41-0746749 (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

**PUBLIC ENTITY CRIMES CERTIFICATION – PAGE 2**

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.

\_\_\_\_\_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.

\_\_\_\_\_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)

**PUBLIC ENTITY CRIMES CERTIFICATION – PAGE 3**

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.

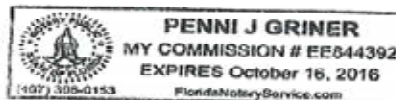
  
(SIGNATURE)

6/25/13  
(DATE)

STATE OF Florida  
COUNTY OF Polk

PERSONALLY APPEARED BEFORE ME, the undersigned authority  
Michael E.  
Carter who, after first being sworn by me,  
(name of individual)  
affixed his/her signature in the space provided above on this  
25<sup>th</sup> day of June, 2013

NOTARY PUBLIC Penny J. Griner  
My commission expires: October 16, 2016



**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





**WORKERS COMPENSATION**



**CERTIFICATE OF LIABILITY INSURANCE**

DATE (MM/DD/YYYY)  
 4/9/2013

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

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

<b>PRODUCER</b> American Agency, Inc. 5851 Cedar Lake Road P O Box 16527 Minneapolis MN 55416		<b>CONTACT NAME:</b> Maxine Agather <b>PHONE (A/C No. Ext.):</b> (952) 545-1230 <b>FAX (A/C No.):</b> (952) 593-8733 <b>E-MAIL ADDRESS:</b> maxinea@americanagency.com															
<b>INSURED</b> CliftonLarsonAllen LLP LarsonAllen LLP Clifton Gunderson LLP 220 South 6th Street, Suite 300 Minneapolis MN 55402		<table border="1"> <thead> <tr> <th>INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> </thead> <tbody> <tr> <td>INSURER A: Great Northern Insurance Co</td> <td>20303</td> </tr> <tr> <td>INSURER B: Chubb Indemnity Insurance Co</td> <td>12777</td> </tr> <tr> <td>INSURER C: Vigilant Insurance Company</td> <td>20397</td> </tr> <tr> <td>INSURER D:</td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> </tr> </tbody> </table>		INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: Great Northern Insurance Co	20303	INSURER B: Chubb Indemnity Insurance Co	12777	INSURER C: Vigilant Insurance Company	20397	INSURER D:		INSURER E:		INSURER F:	
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**COVERAGES**      **CERTIFICATE NUMBER:** 2013 CBRT 1      **REVISION NUMBER:**

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

INSURER	TYPE OF INSURANCE	ADDL. SUBR. INSR.	WVR.	POLICY NUMBER	POLICY EFF. (MM/DD/YYYY)	POLICY EXP. (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY						EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY			3598-35-69	1/2/2013	1/2/2014	DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						MED EXP (Any one person) \$ 10,000
	GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-PORTION <input type="checkbox"/> LOC						
A	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	<input checked="" type="checkbox"/> ANY AUTO			7357-28-25	1/2/2013	1/2/2014	BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS	<input type="checkbox"/> SCHEDULED AUTOS					BODILY INJURY (Per accident) \$
	<input checked="" type="checkbox"/> HIRED AUTOS	<input checked="" type="checkbox"/> NON-OWNED AUTOS					PROPERTY DAMAGE (Per accident) \$
	UMBRELLA LIAB						EACH OCCURRENCE \$
	EXCESS LIAB						AGGREGATE \$
	DED.						\$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			7173-90-66 All States	1/2/2013	1/2/2014	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER
C	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	Y/N	N/A	Excluding WI ND OH WA WY			E.L. EACH ACCIDENT \$ 500,000
	If yes, describe under DESCRIPTION OF OPERATIONS below			7173-90-62 WI Only	1/2/2013	1/2/2014	E.L. DISEASE - EA EMPLOYEE \$ 500,000
							E.L. DISEASE - POLICY LIMIT \$ 500,000

**DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES** (Attach ACORD 101, Additional Remarks Schedule, if more space is required)  
 Certificate holder is included as additional insured on General Liability per form 80-02-2367 Rev 5-07 and on Automobile per form 16-02-0292 Ed 9-10 when required in prior written contract. General Liability is primary and non-contributory and Auto Liability is primary when required in prior written contract. Waiver of Subrogation included on General Liability per form 80-02-2000 Rev 4-01 and on Automobile per form 16-02-0292 Ed 9-10 when required in prior written contract. General Liability & Auto Policies have been endorsed to provide 30 days notice of cancellation, with the exception of 10 days notice of cancellation for non-payment of premium per form 80-02-9779 and 16-02-0306 respectively.

<b>CERTIFICATE HOLDER</b>  Central Florida Regional Planning Council 555 E Church St P.O. Box 2089 Bartow, FL 33830	<b>CANCELLATION</b>  SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE  Gloria Thompson/MRA
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ACORD 25 (2010/05)  
 INS025 (201005/01)

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