



**MAULDIN
& JENKINS**

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**RFP #008-18
TO PROVIDE INDEPENDENT
AUDITING SERVICES TO:
CITY OF KEY WEST, FLORIDA**

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Transmittal Letter

May 23, 2018

City of Key West
City Clerk's Office
1300 White Street
Key West, Florida 33040

Ladies and Gentlemen:

On behalf of Mauldin & Jenkins, we are excited about this opportunity to serve the City of Key West, Florida (the "City"), in order to help meet the continuing challenges you face. We appreciate the opportunity to propose on providing audit services to the City, and we are pleased to submit a qualifications package to provide annual financial and compliance auditing services for the fiscal years ending September 30, 2018 through 2020, subject to the mutual satisfaction of both parties. Contracts beyond this period may be awarded annually for a period not to exceed two additional years.

We have read the Request for Proposal (RFP) and fully understand its intent and contents. We understand the time frame for performance of the annual financial audits as stipulated by the City, and agree to provide the services described in the proposal. We will conduct preliminary and final fieldwork and will issue all of the deliverables and reports substantially prior to the required due dates. Additionally, we are committed to performing the required audits within the budgetary requirements.

Mauldin & Jenkins is committed to client service. We are committed to building relationships with our clients, obtaining a thorough understanding of our client's organization and needs, working with clients as trusted advisors, and delivering a high quality final product on time. There are many factors necessary to achieve quality client service. The following are some features we would like to highlight which differentiate us from other firms:

- **Specific Governmental Experience:** Our Firm has made the governmental sector a primary industry focus. We have served the audit and compliance needs of numerous governmental entities over the years, and remain committed to serving this sector. We provide the following statistics related to our governmental practice:
 - **Over 400 governmental entities** served in the Southeast on an annual basis. Which includes **over 90 municipalities and 45 stand-alone business-type utilities** (water/sewer, gas, electric, airports and transit operations).
 - **85,000 hours of service annually** to governmental entities.
 - **90 full-time equivalent professionals** with current governmental accounting experience.
 - **We serve over 100 entities who receive the GFOA Certificate of Achievement for Excellence in Financial Reporting.**
 - We serve as the plan auditor for approximately **30 single employer defined benefit pension plans** and currently audit in excess of \$1.3 billion in Florida pension assets.
 - We serve over **140 entities** requiring **federal/state single audits** annually.

Consequently, our Mauldin & Jenkins professionals are thoroughly versed in the City's unique and complex functions, and we consistently provide the highest quality of service to our clients.

- **Experience with Notable Municipalities in the Southeast:** We are the current auditor of some of the most notable and recognized municipalities in the Southeast. These clients include Pensacola, Florida; Augusta, Georgia; Charleston, South Carolina; and Tuscaloosa, Alabama.
- **Experienced Personnel:** The personnel included in this proposal for your engagement have numerous years of professional experience in the governmental sector and are dedicated to serving this industry. We make every effort to retain experienced and qualified staff which will assist in providing staff continuity. The quality of the proposed engagement team is the clearest evidence of our commitment to serve you.
- **Quality Client Service:** We pride ourselves in responding to the needs of our clients and meeting their deadlines. This responsiveness is not only the ability to meet specified audit deadlines, but also the ability to respond to other requests. These requests could be in the form of accounting advice throughout the year, assistance with bond offerings or in providing other professional services. Our ability to be responsive is enhanced by the open communications and good working relationship we have with our clients.
- **Organized to Specifically Meet Your Needs:** Our partners, managers and seniors in the Firm's Governmental Practice Division spend 100% of their time serving governments. By structuring the Firm's Governmental Practice Division in such a manner, we are able to create efficiencies in the audit process which typically result in our total hours being significantly less than most other firms.
- **Education:** Presently, Mauldin & Jenkins clients have the opportunity to register and receive a minimum of **sixteen hours** of **complimentary** continuing education on an annual basis. We take our experience in serving governments, and choose timely and relevant topics to provide ongoing education to our clients. We believe education and training to be a key element of serving our governmental clientele. These classes are taught by Mauldin & Jenkins professionals, who also spend time each year teaching at various National and State Governmental Conferences.
- **Professional Leadership:** Along with being consistently ranked in the Top 100 by *Accounting Today* as well as *Inside Public Accounting* trade associations and magazines as one of the largest certified public accounting firms in the country, Firm personnel have held numerous professional leadership positions. This includes Chair of the Board of Directors of the American Institute of Certified Public Accountants (AICPA); members of the AICPA Government Quality Institute; chairman of the AICPA Single Audit Task Force; and President of the Florida Institute of Certified Public Accountants. We use this experience to perform more effective and efficient audits for our clients.

We realize the difficulty in selecting an audit firm. By selecting Mauldin & Jenkins, you will be provided excellent client service and operational best practices stemming from our service to hundreds of governmental entities. We understand the work requested and are committed to meeting your deadlines. This proposal represents a firm offer for 60 days as requested in the RFP. Thank you very much for considering our Firm and allowing us to present our proposal. As a partner of Mauldin & Jenkins, Wade Sansbury is authorized to bind and make representations for the Firm.

Sincerely,
MAULDIN & JENKINS, LLC


Wade Sansbury, CPA, Partner
Direct: 941-741-2255
wsansbury@mjcpa.com

Executive Summary

With extensive partner involvement and a team of dedicated governmental specialists, Mauldin & Jenkins will provide the City of Key West with the service and insight needed to achieve your goals.

Our Understanding of the City of Key West’s Requirements/Needs

The City desires our Firm to express an opinion on the fair presentation of its comprehensive annual financial report in conformity with generally accepted accounting principles. We are not required to audit the statistical section of the report. These audits are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the General Accounting Office's (GAO) *Government Auditing Standards*, Florida Statutes as defined in Sections 219.39 and 11.45, the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance).

To effectively address these issues and meet your key short- and long-term objectives, the City needs dependable, objective information. Therefore, as shown in *Figure 1*, you are seeking a proven, local firm to:

<p>With one of the largest governmental audit practices in the Southeast, our team will ensure efficiency, minimal disruptions, and substantial insight for the City’s management and Board Members.</p>	<p>Not Only</p> <ul style="list-style-type: none"> Perform an annual audit and report on the financial statements of the City Perform an annual compliance audit for the City including the performance of state and federal single audits when applicable
	<p>But Also</p> <ul style="list-style-type: none"> Candidly communicate with management regarding results, and industry and regulatory updates, allowing for greater efficiency and better decision making Actively involve senior team members in all phases of the engagement, ensuring reliable, responsive service and quick issue resolution Provide value-added recommendations to strengthen the City’s operations and internal controls

Figure 1. Our Understanding of the City’s True Service Needs

An Efficient, Value-Added Approach to Achieving Your Objectives

Our approach will be rooted in continuous communication with City management and Audit Committee. From day one, our team will take the time to understand your issues and keep you abreast of changing financial demands.

This knowledge will allow us to maximize efficiency, minimize disruptions, and tailor our approach to your operations. Further, Partner Wade Sansbury and Manager Trey Scott will personally oversee each engagement step, ensuring dependable service and guidance.

Ultimately, our team will deliver reliable, insightful information, as well as valuable recommendations to improve the City’s controls and strengthen your operations.

Why Mauldin & Jenkins Is Best Suited to Serve the City

As shown in *Figure 2*, our team’s expertise, dedication, and proactive approach are ideally suited to serve the City.

Our team’s depth of governmental experience, training, and industry involvement will yield valuable intelligence, allowing the City to leverage best practices and advance operational performance.

Mauldin & Jenkins Differentiator	Benefit to the City
Maximizing Efficiency with Deep Governmental Experience	
In addition to serving more than 400 governmental entities throughout the Southeast, from small special districts to large entities with over \$3 billion in assets, our professionals serve in leadership and instructor roles for various state governmental associations, governmental schools, and industry organizations including the AICPA.	Our team’s depth of governmental expertise, combined with their professional and industry involvement, gives them up-to-date knowledge of the trends, regulations, and standards affecting the City—allowing them to quickly address technical and operational issues.
Strengthening Operations with Frequent, Value-Added Communication	
Our team members and firm publications, such as our quarterly newsletter and free continuing professional education classes, will provide the City with regular updates of and guidance on regulatory, industry, and accounting developments.	Instead of just resolving your financial statement and grant compliance issues, our governmental specialists will also help prevent them—empowering the City with the knowledge and best practices to strengthen your operations.
Ensuring Dependability with Continuity and Active Leader Involvement	
Our team will feature ongoing partner involvement throughout every audit phase—including fieldwork—as well as a dedication to staff continuity. And with an annual turnover rate well below the industry average, we can deliver.	With dependable oversight and a long-term commitment to team staffing, the City will enjoy reliable, responsive, and time-saving service from professionals with a deep understanding of your structure and challenges.
Fulfilling Long-Term Service Needs with a Depth of Firm Resources	
In addition to being one of the oldest and largest regional accounting firms in the Southeast, Mauldin & Jenkins has a 100-year track record of providing high-quality service to governmental entities like the City of Key West, Florida.	With 90 governmental specialists and more than 280 professionals across several specialties, we have the resources, capability, and expertise to meet your long-term service needs as the City grows and changes.

TAB 1

INDEPENDENCE



Independence

We hereby affirm that Mauldin & Jenkins, LLC is independent with respect to the City of Key West, Florida, and its component units as defined by generally accepted auditing standards. We meet the independence standards of Generally Accepted Auditing Standards and the U.S. Government Accountability Office's *Government Auditing Standards*. We are also independent with respect to the City within the meaning of Rule 101 of the Code of Professional Ethics of the American Institute of Certified Public Accountants and the applicable published rules and interpretation thereunder. We have had no relationships with the City over the past five years.

We will conduct our audits objectively and will report findings, opinions and conclusions objectively. As noted above, we are free from personal and external impairments to independence, are organizationally independent and will maintain an independent attitude and appearance so that opinions, conclusions, judgments, and recommendations are impartial and will be viewed as impartial by knowledgeable parties. There are no situations that might lead others to question our independence. Lastly, we have absolutely no local bias towards any City policies, governance, or leadership due to our lack of proximity to the City. This is quite contrary to other local firms. We will give the City written notice of any professional relationships entered into during the period of this agreement.

TAB 2

QUALIFICATIONS, KNOWLEDGE AND EXPERIENCE



Organization and Size of Firm and Governmental Staff

Mauldin & Jenkins was formed in 1918 and has been actively engaged in governmental auditing since its inception. Mauldin & Jenkins is considered to be one of the Southeast's largest locally owned provider of audit and accounting services, and one of the largest certified public accounting firms in the country. Mauldin & Jenkins serves clients throughout the Southeastern United States. Mauldin & Jenkins is considered to be a large regional firm.

Mauldin and Jenkins has offices located in Bradenton, Florida; Atlanta, Macon and Albany, Georgia; Chattanooga, Tennessee; Columbia, South Carolina; and Birmingham, Alabama. We have a practice structure with the scale to serve governmental clients well due to the efficient allocation of resources in our geographic area.

As noted in our transmittal letter, Mauldin & Jenkins provides over 85,000 hours of service to governmental entities on an annual basis. The Firm's governmental practice is the largest niche in the Firm representing approximately 25% of the Firm's total practice. However, size and resources alone are not the most meaningful measure of success; in the end, our clients remain the best judges of Mauldin & Jenkins' value.

Other key information relative to the size and experience of Mauldin & Jenkins is as follows:

- **300,000** - approx. total hours of service provided annually to clients of the Firm
- **85,000** - approx. total hours of service provided annually to governmental clients of the Firm
- **40%** - percentage of governmental practice as compared to Firm's attestation practice
- **28%** - percentage of governmental practice as compared to Firm's overall practice
- **400** - approx. total governmental entities served in past three (3) years
- **280** - total number of Firm personnel
- **105** - total clients served who obtain the GFOA/ASBO Certificates
- **44** - total clients with publicly issued debts in excess of \$50 million
- **\$1.3 billion** - total assets of Florida pension plans currently audited by the Firm
- **52** - total number of Firm partners
- **11** - total number of full-time governmental partners & directors
- **11** - total number of full-time governmental managers
- **90** - total number of professionals with current governmental experience

Serving Governments For Over 95 Years

Mauldin & Jenkins' commitment to government began when our Firm was established in 1918. Since then, we have viewed service to governments as significant to the overall success of the Firm. Today, the governmental sector is an industry that has been specifically identified for our continued growth in professional services. Accordingly, all professionals, from entry-level accountants to partners (who select the governmental sector as their focus) are trained to understand the issues and meet the needs of state and local governmental entities.

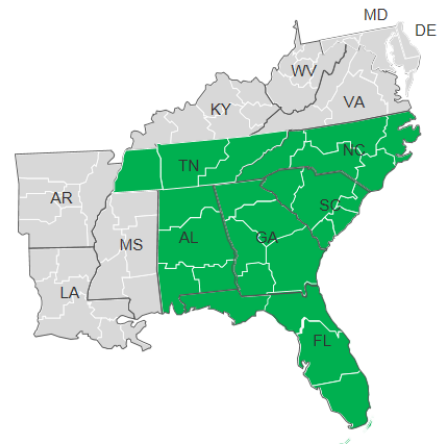
As noted previously, Mauldin & Jenkins employs **22 partners, directors and managers** who dedicate **100%** of their time serving government clients and have a combined **330 years experience**. We also have numerous additional professionals with current experience in providing services to governmental entities – many of whom spend their time exclusively on government clients. Mauldin & Jenkins’ dedicated professionals can bring a comprehensive understanding of the issues that face government entities as well as “bench strength” at all levels, allowing us to respond swiftly and effectively to your evolving needs.



The goal of our government practice is to help governments improve their financial processes and strategies so that they can in turn achieve their goal of improving the lives of their citizens. This shared commitment to the goals of our clients has resulted in a significant government clientele. As noted in our transmittal letter, we currently **serve approximately 400 governments in the Southeast**.

Relevant Experience with Governmental Audits

Mauldin & Jenkins has obtained significant relevant experience serving governmental entities over the years by serving a wide variety of governmental entities. Over the past 5 years, we have served 93 cities, 45 counties, 50 school systems, 35 charter schools, 42 state agencies, and over 170 special entities (special districts, authorities, commissions, etc.). We also are currently serving over 100 governmental entities who annually obtain the GFOA’s Certificate of Achievement for Excellence in Financial Reporting. We have the experience to perform governmental audits and have a history of providing timely services.



Our current footprint of clients extends as far north as Bristol, Tennessee (located on the border between Tennessee and Virginia) and as far south as Islamorada, Florida (located within the south Florida Keys) with many clients in between. Looking east to west we serve Charleston, South Carolina and Selma, North Carolina to Tuscaloosa, Alabama.

Perhaps the greatest indicator of our reliability as a professional service provider to state and local governments is our list of governmental clients.

Cities. Cities we have audited or are in the process of serving within the past three (3) years are:

- | | | | |
|---------------------|-------------------------|-----------------------|------------------|
| 1) Arcadia | 25) Brookhaven | 49) Johns Creek | 73) Tifton |
| 2) Bradenton | 26) Brunswick | 50) Kennesaw | 74) Toccoa |
| 3) Cooper City | 27) Cedartown | 51) Kingsland | 75) Tucker |
| 4) Crystal River | 28) Chamblee | 52) Lawrenceville | 76) Tybee Island |
| 5) Ft. Myers Beach | 29) Chattahoochee Hills | 53) Leesburg | 77) Union City |
| 6) Haines City | 30) Clarkston | 54) Lilburn | 78) Valdosta |
| 7) Hallandale Beach | 31) Cochran | 55) Milledgeville | 79) Villa Rica |
| 8) Islamorada | 32) College Park | 56) Milton | 80) Tuscaloosa |
| 9) Lake Placid | 33) Conyers | 57) Monroe | 81) New Bern |
| 10) Long Boat Key | 34) Cordele | 58) Morrow | 82) Selma |
| 11) Marco Island | 35) Covington | 59) Peachtree City | 83) Aiken |
| 12) Naples | 36) Decatur | 60) Peachtree Corners | 84) Beaufort |
| 13) North Port | 37) Doraville | 61) Perry | 85) Charleston |
| 14) Pensacola | 38) Douglasville | 62) Powder Springs | 86) Clover |
| 15) Pinecrest | 39) Duluth | 63) Quitman | 87) Goose Creek |
| 16) Plant City | 40) Dunwoody | 64) Riverdale | 88) Loris |
| 17) Albany | 41) Fairburn | 65) Rockmart | 89) Orangeburg |
| 18) Alpharetta | 42) Fayetteville | 66) Rome | 90) Summerville |
| 19) Americus | 43) Forest Park | 67) Roswell | 91) Bristol |
| 20) Austell | 44) Grantville | 68) Sandy Springs | 92) Crossville |
| 21) Baldwin | 45) Griffin | 69) Sharpsburg | 93) Jamestown |
| 22) Ball Ground | 46) Hapeville | 70) Social Circle | |
| 23) Blakely | 47) Hinesville | 71) Stockbridge | |
| 24) Braselton | 48) Jefferson | 72) Suwanee | |

GFOA Certificate Program Experience

As noted elsewhere within our proposal, our Firm and our governmental partners all have extensive experience with helping our clients obtain and maintain the GFOA Certificate of Excellence in Financial Reporting award. We also have extensive experience in preparing governmental financial statements in conformance with the Codification of Governmental Accounting and Financial Reporting Standards Board Pronouncements and Interpretations. We currently serve **over 100** entities that receive the GFOA Certificate. Wade Sansbury, Miller Edwards and Trey Scott, who we have listed as the intended partners and manager, have worked on the majority of these GFOA certificate clients over their careers.

Cities:

- | | |
|----------------------|--------------------|
| 1) Aiken | 28) Hapeville |
| 2) Albany | 29) Hinesville |
| 3) Alpharetta | 30) John's Creek |
| 4) Americus | 31) Kennesaw |
| 5) Austell | 32) Kingsland |
| 6) Ball Ground | 33) Marco Island |
| 7) Beaufort | 34) Longboat Key |
| 8) Bradenton | 35) Milledgeville |
| 9) Bristol, TN | 36) Milton |
| 10) Brookhaven | 37) Monroe |
| 11) Brunswick | 38) Morrow |
| 12) Chamblee | 39) Naples, FL |
| 13) Charleston | 40) New Bern, NC |
| 14) Chamblee | 41) North Port, FL |
| 15) College Park | 42) Peachtree City |
| 16) Conyers | 43) Pensacola |
| 17) Cooper City | 44) Perry |
| 18) Covington | 45) Pinecrest |
| 19) Decatur | 46) Riverdale |
| 20) Douglasville | 47) Rockmart |
| 21) Dunwoody | 48) Rome |
| 22) Fayetteville | 49) Roswell |
| 23) Fairburn | 50) Sandy Springs |
| 24) Forest Park | 51) Suwanee |
| 25) Griffin | 52) Tuscaloosa |
| 26) Haines City | 53) Union City |
| 27) Hallandale Beach | 54) Valdosta |

Other Governmental Entities:

- 81) Central Savannah River Area Regional Comm.
- 82) Charleston Water System
- 83) Clayton County Water Auth.
- 84) Cobb County - Marietta Water Authority
- 85) Greenwood Commissioners of Public Works
- 86) Greer Commission of Public Works
- 87) Henry County Water Auth.
- 88) Lowcountry Regional Transportation Authority
- 89) Macon Water Authority
- 90) Mount Pleasant Waterworks
- 91) Public Building Authority of Knox County and Knoxville
- 92) South Florida Transportation Authority
- 93) Tampa Bay Water Authority

Counties:

- 55) Athens-Clarke County
- 56) Augusta-Richmond Co.
- 57) Barrow County
- 58) Beaufort County
- 59) Cherokee County
- 60) Clayton County
- 61) Colleton County
- 62) Columbia County
- 63) DeKalb County
- 64) Douglas County
- 65) Floyd County
- 66) Forsyth County
- 67) Gwinnett County
- 68) Hamilton County
- 69) Henry County
- 70) Jackson County
- 71) Lancaster County
- 72) Macon-Bibb County
- 73) Oconee County
- 74) Orange County
- 75) Paulding County
- 76) Rockdale County
- 77) Spalding County
- 78) Walton County

State Governmental Entities:

- 79) Ga. Environ. Fin. Auth. (GEFA)
- 80) Ga. Ports Authority

Boards of Education:

- 94) Atlanta Public Schools
- 95) Bibb County Schools
- 96) Cartersville City Schools
- 97) Clayton County Schools
- 98) Cobb County Schools
- 99) Fayette County Schools
- 100) Fulton County Schools
- 101) Gwinnett County Schools
- 102) Lee County School District
- 103) Manatee County School District
- 104) Marietta City Schools
- 105) Richland Co. School District One

Location of the Office from which the Work is to be Performed

The Bradenton office will be the office providing services to the City, with no anticipated additional staff roles coming from our other offices. As noted previously, Mauldin & Jenkins has 90 professionals that are dedicated to serving governmental clients, all of which are available to the City.

The Bradenton office currently employs **15 professionals with current experience in providing services to governmental entities** and who will meet the continuing professional education requirements set forth in the U.S. General Accounting Office *Government Auditing Standards*. A further profile of the Bradenton office and the Firm's **professional** staff as a whole is as follows:

Professional Staff by Level	Bradenton	Firm-Wide
Partners	7	47
Managers	7	56
Supervisors / Senior	5	77
Other Staff & Consultants	14	80
Total	33	260

It should be noted that we have served governmental clients in the City’s local area from our Bradenton, Florida office location over the past five years. We have met every deadline of this client and have been physically available for any and all requested meetings. We fully anticipate providing the City with this same level of service as we do with all of our clients. Distance does not bother us in the least. We believe it actually creates a better independent and working relationship with our clients.

Number and Nature of Professional Staff to be Employed in this Engagement

For your audit, we propose to assign two partners (one engagement partner, Wade Sansbury, and one concurring review partner, Miller Edwards), one director/senior manager (Trey Scott), and two staff to work on this engagement on a full-time basis. Wade Sansbury and Miller Edwards, are known across the Southeast for their involvement with governmental entities. They have significant experience in governmental audit and accounting, and will play significant roles in providing ongoing services to the City. We have included resumes for all key individuals in the applicable section of our proposal.

External Quality Control Review

In the mid 70s, the Private Companies Practice Section (PCPS) was founded by the American Institute of CPAs (AICPA) to establish a voluntary quality assurance program for CPA firms. There are requirements for membership in the section, which include mandatory continuing education for each member of the professional staff and a key element is a tri-annual independent review of a firm’s quality control system in its practice of public accounting. Mauldin & Jenkins, LLC has been a member of the section from its inception.

The peer review aspect has evolved from being voluntary to mandatory and Mauldin & Jenkins is in full compliance with the requirements of having a tri-annual review. In the peer reviewer’s latest report dated October 30, 2017, our reviewing firm gave a rating of “pass” which is the highest form of assurance a reviewing firm can render on the system of quality control for our accounting and audit practice.

A copy of the report on our most recent external quality control review is provided on the next two pages. **The quality control review included a review of specific government engagements.** No letter of comment was received as a result of this review. We are quite proud to be one of the few Southeast based firms to have undergone this review and to have received such an excellent opinion from a large reputable national firm. Our public company practice is also reviewed in accordance with CAQ requirements as administered through the Public Company Oversight Board (PCAOB).



Report on the Firm's System of Quality Control

To the Shareholders of Mauldin & Jenkins, LLC
and the National Peer Review Committee:

We have reviewed the system of quality control for the accounting and auditing practice of Mauldin & Jenkins, LLC (the firm), applicable to engagements not subject to PCAOB permanent inspection, in effect for the year ended May 31, 2017. 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 (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

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. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

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.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans, an audit performed under FDICIA, and examinations of service organization's SOC 1 and SOC 2 engagements.

As part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

PBMares, LLP | 725 Jackson Street, Suite 210 | Fredericksburg, VA 22401 | P 540.371.3566 | 1.800.296.3710 | F 540.371.3598

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Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Mauldin & Jenkins, LLC applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2017, 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*. Mauldin & Jenkins, LLC has received a peer review rating of *pass*.

PBMares, LLP

PBMares, LLP
October 30, 2017

Errors and Omissions Claims

Our Firm has been in business serving our clients in the southeast since 1918. A cornerstone of our Firm's practice is our performance and dedication to quality work. As such, we are very happy to state that we have not faced any errors and omissions claims arising out of the rendering or failure to render professional services over the past five years.

Federal/State Desk Reviews or Field Reviews and Disciplinary Action

Federal/State Desk Reviews and Field Reviews: Mauldin & Jenkins audits most of the largest school districts in the State of Georgia. Based on that fact, and since 2011, the State of Georgia's Department of Audits & Accounts (DoAA) annually performs a review of a sample of our school district audits. No report has ever been formally issued, and no matters or issues have ever been noted by this annual effort. As a matter of fact, the DoAA has asked to send teams of auditors to review our workpapers in their own effort to better their approach in performing financial and compliance audits from a risk based perspective.

With the exception of the above paragraph's thoughts, Mauldin & Jenkins has not had a federal or state desk review or field review of its audits during the past three (3) years.

We would like to provide the following details of our only review over the past several years, as we believe its results further distinguish Mauldin & Jenkins from other firms.

In January 2008, as part of the Federal Department of Education's random testing of the audits of local boards of education, a review was performed by the Federal Office of Inspector General (OIG) regarding a Single Audit engagement of a local board of education. We are quite pleased to note the examiner provided Mauldin & Jenkins a letter of high marks for the performance of the respective Single Audit and this comes at a time when Federal regulators are condemning the profession for poor performance of such Single Audits. **Unofficially and orally provided, the examiner noted this Single Audit engagement to be the best such engagement reviewed in his experience.**

Disciplinary Action: Mauldin & Jenkins has not had any disciplinary actions taken (nor are any pending) against the Firm during the past three (3) years with any state or federal regulatory bodies or professional organizations.

Joint Venture or Consortium

Our proposal for the audit of the City does not include any other firm. We believe our Firm is qualified, and has the experience and capacity to serve the City on our own without the help of additional accounting firms. As such, our proposal includes information only on our Firm and our relevant experience.

Proposed Staffing

In order to provide the highest quality service in the most cost efficient manner, Mauldin & Jenkins has formed a client service team which will function as a cohesive unit, and would represent a superb assortment of talent and experience for the audit of the City. The unit would be assembled as follows:

Team Member Name	Engagement Performance Roll	Years of Experience
Wade Sansbury, CPA	Engagement Lead Partner	22
Miller Edwards, CPA	Engagement Quality Assurance Partner	32
Trey Scott, CPA	Engagement Director (Senior Manager)	10
Jameson Miller	IT Consultant	11
Kris Trainor, CPA	Fraud Risk Consultant	22

The above team dedicated to audit the City will include (at a minimum): two partners, one manager, and two staff professionals. The director (senior manager) and staff professionals will be substantially on-site full time throughout the conduct of their role in the audit. Other governmental audit professionals will be available to assist throughout the fieldwork and the preparation of the financial reports. The audit partner in-charge of fieldwork will correspond with the City management on financial reporting, audit and related issues on an ongoing basis, and this individual will also be dedicated to serve the City throughout fieldwork, reporting and conclusion in all respective fiscal years. Mauldin & Jenkins has the depth of resources which allows us to provide you with significant resources of knowledgeable professionals to meet your deadlines.

We realize that, regardless of our Firm’s qualifications, the quality of service the City receives will correlate directly to the skill level, dedication and resourcefulness of your audit engagement team. The individuals listed have been selected to serve the City based on their years of hands-on experience working with government entities and for their commitment to exceeding client expectations. Your team members are dedicated and resourceful, and among the most talented in their field. We encourage you to contact us whenever you have questions and to view us not just as auditors, but as true advisors.

Note that we do not intend to sub-contract with another firm as we believe that we have the resources and experience to serve the City.

Individual Resumes of Proposed Staff

Please see the following pages for information on key individuals who are available to serve the City during the audit process.

Wade Sansbury, CPA

Partner
Bradenton, Florida

941-741-2255
wsansbury@mjcpa.com



Wade Sansbury is a partner and a Certified Public Accountant with Mauldin & Jenkins. He is registered and licensed to practice in Florida and Georgia. Wade is a partner who works exclusively in the governmental sector of the Firm's audit practice. Wade has over 22 years of experience serving governmental clients. This experience has included serving counties, cities, and special districts. Wade will serve as the City's engagement partner in-charge and will be the ultimate partner responsible.

Technical Experience

During his career, Wade has served numerous governmental clients on behalf of the Firm including 23 municipalities, 4 counties, and 23 special districts/authorities. He currently serves 20 such entities in Florida. A condensed listing of governmental audit clients served by Wade as partner is listed below.

- City of Bradenton
- City of Haines City
- City of Hallandale Beach
- City of Marco Island
- City of Naples
- City of North Port
- City of Palmetto
- City of Pensacola
- City of Plant City
- Town of Longboat Key

Professional Associations and Education

- Bachelor of Business Administration in Accounting from Valdosta State University in 1995
- Certified Public Accountant licensed by the States of Florida and Georgia
- Member of the American Institute of Certified Public Accountants (AICPA)
- Member of the Florida Institute of Certified Public Accountants (FICPA)
- Member of the Government Finance Officers Association (GFOA)
- Member of the Florida Government Finance Officers Association (FGFOA)

Wade is currently serving as the Firm's Bradenton Office Managing Partner and is also a member of the Firm's seven member Executive Committee, which governs the actions and directions of the Firm. Wade also currently serves on the Bradenton Area EDC Investor Relations Committee. Note that Wade has many years of experience preparing financial statements in accordance with GASB 34 as well as preparing comprehensive annual financial reports meeting all of the requirements of the GFOA certificate of excellence program. Wade also has extensive experience with multiple client computer systems and software and is a leader in the firm for auditing such areas.

Audit Training

Wade annually exceeds the professional standards requirements requiring 80 hours of CPE every-two year period and GAGAS standards requiring at least 24 hours of CPE that directly relates to government auditing, the government environment, or the specific or unique environment in which the audited entity operates. He attends annual Firm sponsored governmental accounting and auditing updates, as well as Single Audit updates, the FGFOA conference, AICPA sponsored courses, and various other courses. Wade has additionally volunteered as instructor for various FGFOA chapter training courses across the state. Listed below are just some of the training courses Wade has attended over the last three years:

- 2017 FICPA Ethics: Protecting the Integrity of Florida CPAs (4 credit hours)
- 2017 FGFOA – North Central Chapter – Preparing for your Audit, Gainesville, FL (Instructor) (4 credit hours)
- 2017 M&J Governmental Conference (Instructor and Participant) (16 credit hours)
- 2016 M&J Governmental Conference (Instructor and Participant) (16 credit hours)
- 2016 National AICPA Government and Nonprofit Conference, Las Vegas, NV (24 credit hours)
- 2015 National AICPA Governmental Accounting and Auditing Update, Washington, DC (16 credit hours)
- 2015 FGFOA – Panhandle Chapter Quarterly Meeting, Defuniak Springs, FL (Instructor) (8 credit hours)
- 2015 M&J Governmental Conference (Instructor and Participant) (16 credit hours)
- 2015 Predictive Index Management Workshop (14 credit hours)
- 2015 M&J Government and Not-for-Profit Update (8 credit hours)

Miller G. Edwards, CPA

Partner

478-464-8003

medwards@mjcpa.com



Miller is a member (i.e. partner) and a certified public accountant with Mauldin & Jenkins. His experience covers a variety of clients in federal, state and local government. He is responsible for the Firm-wide governmental practice division of Mauldin & Jenkins. He is a past member of the Firm's seven member Executive Committee, which governs the actions and directions of the Firm, and is a member of the Firm's Audit and Accounting (A&A) Committee. Miller would serve as the engagement quality control review partner for the City's engagement.

Technical Experience

Beginning in June of 1986, Miller has over 30 years of experience in providing public accounting services to the governmental sector, all of which has occurred as an auditor with Mauldin & Jenkins. Since becoming a partner, Mauldin & Jenkins has become the leader in auditing state and local governmental units in the Southeast. Under Miller's leadership, Mauldin & Jenkins now serves approximately 400 governmental units. As a partner, Miller serves both large and small governmental units, and is involved directly, and indirectly, in serving over 70 such governmental entities over the past three years (in the capacity of engagement partner in-charge or quality control review partner). A detailed listing of these clients served is available upon request.

Professional Associations and Education

- Bachelor of Business Administration in Accounting and Risk Management & Insurance from the University of Georgia in 1986
- Certified Public Accountant licensed by the States of Florida, Georgia, and Alabama
- Member of the American Institute of Certified Public Accountants (AICPA)
- Member of the Florida Institute of Certified Public Accountants (FICPA)
- Member of the Government Finance Officers Association (GFOA)
- Member of the Florida Government Finance Officers Association (FGFOA)

Audit Training

Miller annually exceeds the minimum training requirements and standards. Miller spends a significant amount of time providing training to governmental accounting professionals through state conferences and our free Mauldin & Jenkins CPE provided to our clients. Listed below are just a few of the training courses Miller has attended over the last three years:

- 2017 M&J GASB No. 87 *Leases* – Participant
- 2017 M&J Compliance with the Uniform Guidance – Participant
- 2017 Georgia Government Finance Officers Association Annual Conference: Presenting Financial Information to Non-Financial People; and, Presenter on Auditor Panel – Instructor and Participant
- 2017 M&J Annual Governmental Conference – Instructor and Participant
- 2017 City of Dunwoody Accounting Conference: GASB No. 77 *Tax Abatement Disclosures*; Interfund Activities and Deficits in Government; Communicating Financial Information to Non-Financial People – Instructor
- 2017 M&J Information Systems Technology Update – Participant
- 2017 University of Georgia’s Carl Vinson Institute of Government Introductory and Intermediate Accounting and Financial Reporting to employees of State & Local Governments of Georgia (6 days of instruction) – Instructor
- 2016 South Carolina GFOA Fall Conference, GASB Update – Instructor
- 2016 M&J Annual Governmental Conference – Instructor and Participant
- 2015 M&J Implementing the New Government Pension Standards – Instructor and Participant
- 2015 McGladrey Southeast Regional Alliance Meeting – Participant
- 2015 M&J Annual Governmental Conference – Instructor and Participant

Trey Scott, CPA

Audit Director (Senior Manager)
Bradenton, Florida

941-741-2202
tscott@mjcpa.com



Trey Scott is a manager and a Certified Public Accountant with Mauldin & Jenkins specializing in serving local and state governmental entities. He is registered and licensed to practice in the State of Florida and Georgia. Trey has 10 years of experience, all with Mauldin & Jenkins. His experience as a manager with the firm covers a variety of state and local governmental organizations in Florida, Georgia, and South Carolina. He spends **100% of his time serving local governments** emphasizing cities, counties and special purpose entities and authorities. He will have responsibility for developing the overall audit approach, supervision of staff, and will be a main contact point for the City.

Technical Experience

During his career, Trey has served numerous governmental clients on behalf of the Firm which include over 30 governmental entities – He currently serves 7 such entities in the State of Florida. This includes **12 municipalities**, 7 counties, 4 State entities, and 11 special purpose entities. Included in the municipalities served by Trey in the past three years as engagement director (senior manager) are the **City of Pensacola, the City of Cooper City, the City of Augusta, and the City of Charleston.**

Additionally, Trey has significant experience with **federal and state grant programs**. He is the main review person for the Bradenton office for single audit procedures. He attends significant single audit training each year and is responsible for teaching at Mauldin & Jenkins in house staff training annually as well as various FGFOA events.

Professional Associations and Education

- Bachelor of Arts Majoring in Business Administration from Austin College
- Master of Public Accountancy from the University of West Georgia
- Certified Public Accountant licensed by the State of Florida

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

Audit Training

- 2017 FGFOA SW Florida Chapter – “GASB 74 & 75 and GASB 87” – Instructor
- 2017 FGFOA School of Governmental Finance – “GASB 63 & 65 and Presenting Financial Information to Non-Financial People” – Jacksonville, Florida – Instructor
- 2017 FICPA State and Local Government Conference – “Financial Reporting Deficiencies in State and Local Government Financial Reports” – Orlando, Florida – Instructor
- 2017 FGFOA Panhandle Chapter Meeting – GASB Update, Common Financial Reporting Deficiencies and Presenting Financial Information to Non-financial People – Shalimar, Florida – Instructor
- 2017 M&J Governmental Conference – Participant/Instructor
- 2017 FGFOA – North Central Chapter – Preparing for your Audit, Gainesville, FL – Instructor
- 2016 Ethics For Florida CPA’s
- 2016 M&J Governmental Conference
- 2016 Single Audit Update
- 2015 M&J Annual Governmental Conference – Instructor and Participant
- 2015 M&J Government and Not-for-Profit Update

Partner and Staff Continuity

We are committed to providing continuity of our engagement team members. We recognize that this is also an important factor for the City, as it limits the amount of retraining that needs to be performed each year. **Our staff retention rates of approximately 90%** over the past three years are considered to be among the best in the profession (and much better than national firms). We are able to not only provide consistency with the partners and managers on our engagement teams, but seniors and staff as well.

It is also our goal to minimize disruptions to the City by staffing the engagement so as to provide continuity, both during and between audits. It is the Firm’s policy not to rotate key audit staff, consultants or specialists off a multi-year contracted audit engagement. Consequently, it is not anticipated that any key audit personnel will be rotated away from the City’s annual audit. For your engagement we intend to ensure that the key team members (Mr. Sansbury, Mr. Edwards and Mr. Scott) will be returned to the City’s engagement each year over the contract term unless changes are requested by the City. In any business, however, turnover is possible. When this happens, we will provide resumes if requested of suggested replacements and any changes in key personnel would always be discussed timely with City officials to their satisfaction.

Identification of Other Available Audit Partners and Other Key Professionals

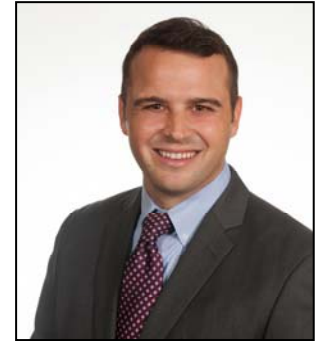
It should be noted that we have additional managers and seniors who spend the majority of their time on governmental audits, and they are available on an as needed basis. These individuals could be utilized on the Government’s audit as needed to ensure timely completion and delivery of services. All staff assigned to the engagement, meet the continuing education requirements of *Government Auditing Standards* issued by the Comptroller General of the United States.

On the following pages is information on several additional key individuals who are available to serve the City during the audit process.

Daniel Anderson, CPA

Manager
Bradenton, Florida

941-741-2213
danderson@mjcpa.com



Daniel Anderson is a manager and a Certified Public Accountant with Mauldin & Jenkins. He is registered and licensed to practice in the State of Florida. Daniel is a manager who works exclusively in the governmental sector of the Firm's audit practice. Daniel has approximately 9 years of experience serving governmental clients. His experience covers governmental accounting and auditing and has provided audit services to numerous governmental and not-for-profit organizations, including cities, counties, school districts, and other entities. Daniel has significant experience with his client's computer systems. This includes specific experience with remote auditing via web access to client information.

Technical Experience

During his career, Daniel has served numerous governmental clients on behalf of the Firm including 13 municipalities, 1 county, and 5 special districts/authorities. He currently serves 10 such entities in Florida. A condensed listing of governmental audit clients served by Daniel as manager is listed below.

- City of Bradenton
- City of Plant City
- City of Naples
- City of Marco Island
- City of Cooper City
- Town of Lake Placid
- Village of Islamorada
- Town of Longboat Key

Professional Associations and Education

- Bachelor of Science in Accounting from Florida State University in 2008
- Certified Public Accountant licensed by the State of Florida
- Member of the American Institute of Certified Public Accountants (AICPA)
- Member of the Florida Institute of Certified Public Accountants (FICPA)
- Member of the Florida Government Finance Officers Association (FGFOA)

Note that Daniel has many years of experience preparing financial statements in accordance with GASB 34 as well as preparing CAFRs meeting all of the requirements of the GFOA certificate of excellence program. Daniel also has extensive experience with multiple client computer systems and software.

Audit Training

Daniel annually exceeds the professional standards requirements requiring 80 hours of CPE every-two year period and GAGAS standards requiring at least 24 hours of CPE that directly relates to government auditing, the government environment, or the specific or unique environment in which the audited entity operates. He attends annual Firm sponsored governmental accounting and auditing updates, as well as Single Audit updates, the FGFOA conference, AICPA sponsored courses, and various other courses.

Alison N. Wester, CPA, CGMA

Partner
Bradenton, Florida

941-714-7963
awester@mjcpa.com



Alison Wester is a partner and a Certified Public Accountant with Mauldin & Jenkins. She is registered and licensed to practice in Florida and Georgia and has been with the Firm since graduation from college. Alison is a partner who works with governmental entities as well as other entities within the Firm's audit practice. Alison has over 20 years of experience serving Firm attestation clients. This experience has included serving cities, special districts, and pension plans.

Technical Experience

During her career, Alison has served numerous governmental clients on behalf of the Firm including 10 municipalities, 10 special districts/authorities, and 7 pension plans. A condensed listing of governmental audit clients served by Alison is listed below.

- Islamorada, Village of the Islands
- City of Sarasota, Pension Funds (3)
- City of North Port
- City of Plant City
- City of Marco Island
- City of Naples

Professional Associations and Education

- Bachelor of Business Administration in Accounting from the University of Georgia in 1996
- Certified Public Accountant licensed by the States of Florida and Georgia
- Member of the American Institute of Certified Public Accountants (AICPA)
- Member of the Florida Institute of Certified Public Accountants (FICPA)
- Member of the Florida Government Finance Officers Association (FGFOA)

Alison has served on the Firm's Partner Advisory Board and is a current member of the Firm's Leadership and Career Development Committee. She served on the AICPA's Examination Content Subcommittee for the Financial Accounting and Reporting section of the CPA Examination. She is a current member of the AICPA's Women's Initiatives Executive Committee Task Force.

Audit Training

Alison annually exceeds the minimum training requirements and standards. She has many years of experience preparing financial statements in accordance with GASB 34 as well as preparing comprehensive annual financial reports meeting all of the requirements of the GFOA certificate of excellence program. Listed below are just a few of the training courses Alison has attended over the last couple of years:

- 2017 M&J Governmental Conference (Participant)
- 2017 M&J Client CPE (2 days) (Participant)
- 2017 Ethics For Florida CPA's
- 2016 M&J Governmental Conference (Participant)

Joel Black, CPA

Partner

678-589-5102

jblack@mjcpa.com



Joel Black is a member (i.e. partner) and a certified public accountant with Mauldin & Jenkins. His experience covers a variety of clients in federal, state and local government, and non-profit organizations. He currently serves on the Firm's Audit and Accounting (A&A) Committee, helping establish audit policies and answering technical questions for the Firm's governmental partner group. Joel would be available to serve as a supporting resource partner to the City.

Technical Experience

Joel has over 26 years of experience in public accounting, 12 years of which was with KPMG LLP serving a wide range of government clients. He joined Mauldin & Jenkins in 2004, becoming a partner in 2005. He currently serves on the Firm's Audit and Accounting Committee, helping establish audit policies and answering technical questions for the Firm's governmental partner group. Joel currently **serves on the AICPA's State and Local Government Expert Panel** and recently served on the Executive Committee of the AICPA's Government Audit Quality Center. He was also recently the chairman for one of five national AICPA task forces focused on improving the quality of Single Audits within the auditing profession. His task force encompasses improving the testing of internal controls and compliance. Among his duties include rewriting three chapters of the AICPA Audit Guide on *Government Auditing Standards* and Single Audits. As a partner, Joel serves both large and small governmental units, and is involved directly, and indirectly, in serving over 30 such governmental entities over the past three years (in the capacity of engagement partner in-charge or concurring review partner). A detailed listing of these clients served is available upon request.

Professional Associations and Education

- Bachelor of Business Administration in Accounting from the Georgia State University
- Certified Public Accountant licensed by the State of Georgia
- Member of the American Institute of Certified Public Accountants (AICPA)
- Member of the Government Finance Officers Association (GFOA)
- Member of the Association of Government Accountants

Audit Training

Joel annually exceeds the minimum training requirements and standards. Listed below are just a few of the training courses he has attended over the last two years:

- 2018 M&J Government Client Training – 1st Quarter – Instructor
- 2018 Georgia Government Finance Officers Association Webcast – Instructor
- 2018 UGA Carl Vinson Institute of Government – Annual GASB Update – Instructor
- 2017 GSCPA, Government Accounting and Auditing Conference – Instructor
- 2017 M&J Government Client Training – 3rd Quarter – Instructor
- 2017 AICPA Webcast – Accounting and Auditing OPEB – Instructor
- 2017 Georgia Government Finance Officers Association Annual Conference – Instructor
- 2017 Florida Society of CPAs – Governmental Conference – Instructor
- 2017 AICPA Government Accounting and Auditing Conference, Washington DC – Instructor
- 2017 M&J Internal Government Conference – Instructor

- 2017 Georgia Government Finance Officers Association Webcast – Financial Reporting Model Re-examination – Instructor
- 2017 City of Dunwoody Accounting Conference – Instructor
- 2017 AGA, Atlanta Chapter Government Accountability Training – Instructor
- 2017 GSCPA, Non-Profit Accounting and Auditing Conference – Instructor
- 2017 AICPA, GAQC Annual Update National Webcast – Instructor

Other Staff Resources (Technology Services and Fraud Examinations)

We have individuals with extensive experience and certifications relative to Information Systems Technology as well as Fraud Examinations. The following two individuals are available to be of service to the City should the need arise.



Jameson A. Miller, CPA, CISA (Pending)
Director, Information Technology & Audit Services

Jameson Miller is a director and has been with Mauldin and Jenkins since graduation from the University of Tennessee at Chattanooga. For 11 years, Jameson has provided audit services to public and private entities throughout the Southeast. In addition, he has experience managing and performing information system reviews.

Jameson has experience in the audits of general controls, application controls as well as electronic audit sampling and data extraction. He has extensive experience in SOX, SOC1, and GLBA compliance program implementation, testing and reporting. His technical expertise includes performing, vulnerability and risk assessments and penetration testing of information systems using both technical and social engineering techniques. Further, Jameson has:

- Managed and performed regulatory compliance reviews including: Gramm Leach Bliley Act, and Sarbanes Oxley
- Managed and performed technical audits and security assessments of computer systems (penetration testing, vulnerability assessments, and application reviews)
- Performed SSAE 16 Service Organization Controls Audits (SOC 1, 2, 3)

Jameson is a member of the American Institute of Certified Public Accountants (AICPA), the Tennessee Society of Certified Public Accountants (TSCPA), and ISACA (Information Systems Audit and Control Association). He currently serves on the Board of Directors for the Chattanooga Chapter of the TSCPA. In addition, Jameson is an avid outdoor enthusiast and enjoys volunteering his spare time by serving on the Board of Directors of the Cumberland Trail Conference. Jameson is a licensed Certified Public Accountant with the State of Tennessee. He has passed the examination for the Certified Information Systems Auditor (CISA) designation through ISACA.

Kris Trainor, CPA and CFE
Certified Fraud Examiner

Kris Trainor is a partner with Mauldin & Jenkins. Kris received his BBA in Accounting from Georgia Southern University. Since joining Mauldin & Jenkins in 1995, Kris has worked primarily on audit and consulting engagements. His experience ranges from fraud examinations, agreed-upon procedures, internal audits, financial statement audits, lender compliance, mortgage company audits, governmental audits, and loan servicing compliance audits. He also has audit and inventory experience in the manufacturing industry. Kris is a member of the American Institute of Certified Public Accountants, the Georgia Society of Certified Public Accountants, the Association of Certified Fraud Examiners, Beta Gamma Sigma, and Beta Alpha Psi.



Other Staff Auditors and Accountants

Prior experience with government audits is as important for the staff as it is for management. Experience in governmental accounting and auditing minimizes the amount of time the staff will require to fully understand the complexities of the operations and financial accounting and reporting systems. Prior experience also enables the staff to recognize problems early in the engagement. This, in turn, allows the desired early consideration and resolution of problems. All staff assigned to the City's engagement will have prior experience serving government clients and/or will have substantial government audit training. All staff assigned to the City will be on-site throughout the entire engagement.

We would like to stress the fact that the majority of our governmental staff work on state and local governments 100% of their time. This reduces the "learning curve" on most audits by reducing the amount of "on-site training" that occurs at most national accounting firms. This is very evident in our proposed hours, which are typically much less than that of other firms. Our staff knows what is required and how to get the work done efficiently and effectively. Our staff members understand the laws and regulations specifically pertinent to Florida entities. We also normally have more high-level hours of service by our partners and managers (in the conduct of fieldwork) than the national firms, thereby reducing redundancy and other audit engagement inequities. We bring our experience to the field where timely decisions can be made.

Equal Employment Opportunity and Affirmative Action Commitment

Equal employment opportunity and affirmative action are the foundation of diversity at Mauldin & Jenkins. Our commitment to providing an inclusive workplace for all individuals begins with our commitment to equal opportunity and affirmative action.

Our policies promote equal employment opportunity for all employees and applicants without regard to race, color, religion, national origin, sex, age, physical or mental disability. This equal opportunity applies to every area of employment at our Firm, including recruitment, hiring, training, transfer, and promotion. We continue to affirm our commitment to an inclusive workplace through Affirmative Action Plans that address employment opportunities for qualified women, minorities, veterans, and individuals with disabilities.

Our policies prohibit discrimination and harassment based on race, color, religion, national origin, sex, age, physical or mental disability. It is important that employees and applicants trust that they can address a concern of discrimination or harassment without retribution. Mauldin and Jenkins will not tolerate retaliation against an individual who reports, opposes, or participates in an investigation of discrimination or harassment that violates Firm policies. Our management team is charged with the responsibility to implement our commitments in these areas. Most importantly, all employees contribute to this vision on a daily basis by demonstrating respect for each other and our clients.

TAB 3

AUDIT APPROACH



Mauldin & Jenkins Understanding of the City's Needs

The City of Key West is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the fiscal years ending September 30, 2018 through September 30, 2022. These audits are to be performed in accordance with the provisions contained in the City's request for proposals.

Scope of Work to Be Performed.

Financial Statements and Notes – We understand that we shall audit all funds of the City in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the Auditor General*.

Our opinion shall be unmodified unless we furnish the City, on a timely basis, the reasons for qualifying the opinion, disclaiming an opinion, or rendering an adverse opinion.

Required Supplemental Information (RSI) and Management Discussion and Analysis (MD&A) – We shall be responsible for performing certain limited procedures required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards as it relates to the Cities RSI and MD&A.

Internal Controls and Compliance Auditing – In connection with the audit of the financial statements, we shall consider, test, and report on internal controls and perform tests and report on compliance in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Introductory and Statistical Section – We understand that these sections are not subject to the audit procedures applied in the audit of the basic financial statements and we will not provide an opinion or any assurance on them.

Combining Schedules, Schedules for Federal Awards, and the State Financial Assistance – We will provide an opinion that the information noted above is fairly stated in all material respects in relation to the financial statements as a whole.

We understand that we are required to review the Annual Financial Report to the State Department of Financial Services and to prepare the Financial Condition Assessment as required by the Florida Auditor General.

Reports to be Issued.

Following the completion of our audit of the fiscal year's financial statements, we shall issue:

- A report of the fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America.
- A 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*.
- A report on compliance in accordance with auditing standards generally accepted in the United States of America and Section 218.415, Florida Statutes, regarding the investment of public funds.

- A report on compliance in accordance with auditing standards generally accepted in the United States of America and Section 288.8017, Florida Statutes, regarding State or Local Grants, and moneys received directly from British Petroleum.
- A report on compliance with requirements applicable to each major Federal program and State project and on internal control over compliance in accordance with OMB Uniform Guidance and the Florida Department of Financial Services *State Projects Compliance Supplement*.
- Schedule of findings and questioned costs.
- Any other reports and schedules required by the federal and State Single Audit Acts or required by law.
- Management letter with required elements as required by the Rules of the Auditor General.
- Agreed Upon Procedures Report as required by the Florida DOT for section 5311 Program Procedures and for Public Transportation Joint Participation Agreements.
- Schedule of Revenues and Expenditures for the U.S. Dept of Navy (Fund 602).

Reportable Conditions. In the required reports on compliance and internal controls, we shall communicate any reportable conditions found during the audit. Reportable conditions that are also material weaknesses shall be identified as such in the report. Nonreportable conditions discovered by us shall be reported in a separate letter to management, which shall be referred to in the report[s] on compliance and internal controls. The reports on compliance and internal controls shall include all instances of noncompliance.

Irregularities and illegal acts. We will make an immediate, written report of all irregularities and illegal or indications of illegal acts of which we become aware to the Council President, with copies to the Mayor and Chief Financial Officer.

Reporting to the City Council. We will ensure that City Council is informed of each of the following as well as any additional governmental auditing standards required communications:

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

Special Considerations.

We will assist the City in implementing all applicable Government Accounting Standards Board (GASB) accounting and reporting standards, as issued or revised, as we have in the previous five years.

We understand that the City of Key West will send its comprehensive annual financial report to the Government Finance Officers Association of the United States and Canada for review in the Certificate of Achievement for Excellence in Financial Reporting Program. We understand that we will be required to provide special assistance to the City of Key West to meet the requirements of that program by providing technical advice to ensure awarding of certification.

We understand that the City of Key West may prepare one or more official statements in connection with the sale of debt securities which will contain the general purpose financial statements and the auditor's

report thereon. We understand that we will be required, if requested by the City’s Chief Financial Officer, financial advisor, and/or the underwriter, to issue a "consent and citation of expertise" as the auditor, and any necessary "comfort letters" or special audits.

We understand that the Schedule of Expenditures of Federal Awards, and State Financial Assistance and the related auditor's reports, as well as the reports on compliance and internal controls are to be issued as part of the comprehensive annual financial report.

We understand that the City provides two single employer, defined benefit pension plans. The Police and Firemen’s plan is audited by other auditors and is not included within the scope of our proposal. Our performance of the audit of the General Employee Pension Plan is included within the scope of our proposal.

Working Paper Retention and Access to Working Papers.

We understand that all working papers and reports must be retained, at our expense, for a minimum of three years, unless we are notified in writing by the City of Key West of the need to extend the retention period. We understand that will be required to make working papers available, upon request, to the following parties or their designees:

- City Council, Mayor and Chief Financial Officer
- U.S. General Accounting Office (GAO)
- Parties designated by the federal or state governments or by the City of Key West as part of an audit quality review process
- Auditors of entities of which the City of Key West is a sub-recipient of grant funds

In addition, we will respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

Proposed Segmentation of the Engagement

Our professionals, who are knowledgeable with respect to audit requirements for governmental entities, will be assigned based on their expertise with respect to each segment. Our audit procedures, related documentation and quality review will be segregated by each segment as follows based on our review of the City’s prior financial statements, budgets, request for proposal, past experience, and other information available:





**Segment I:
Planning and
Interim
Procedures**

Segment I: Planning and Interim Procedures (August 2018)

This segment includes:

- Obtaining a signed engagement letter for the financial and compliance audit;
- Meeting with City management to discuss the scope of the audit, timing of our work, and preparation of client schedules, and to address any concerns;
- Reviewing previously issued and interim financial reports, comment letters, monitoring reports, and other supporting workpapers;
- Reading minutes of City meetings;
- Reviewing the City’s current year budget, as adopted and revised;
- Reviewing new debt agreements, and other various documentation;
- Obtaining an understanding of the City’s accounting policies and procedures, including the financial and other management information systems utilized by the City;
- Reviewing the prior information obtained as it relates to the City’s EDP equipment, software and systems in use;
- Performing analytical reviews to determine critical areas and assess risks;
- Performing a preliminary evaluation of the internal control structure at the account and assertion level;
- Designing and performing applicable tests of controls related to the financial statements and internal accounts;
- Obtain preliminary balances and perform applicable sampling for testing in segment II, from the City’s financial accounting system via remote access;
- Making fraud inquiries and assessing the risks of material misstatement;
- Obtaining a list of cash, investment, debt, and selected revenue accounts for confirmation purposes, as applicable;
- Determining audit strategies for balance sheet and operating statement accounts based on audit risk;
- Obtaining a preliminary schedule of expenditures of Federal awards, State Financial Assistance and Passenger Facility Charges to initiate planning and internal control testing for the Single Audit;
- Preparing year-end audit programs;
- Meeting with appropriate City personnel to discuss the results of our preliminary audit work.

Segment II: Final Audit Fieldwork Procedures (January 2019)

This segment includes:

- Conducting an analytical review of account balances based on closing balances;
- Testing the valuation, restrictions and cut-offs of cash and investment balances, as applicable;
- Testing receivable cut-offs and balances, including an analysis of subsequent receipts;
- Testing cut-off and valuation of inventory;
- Reviewing and testing supporting documentation for the allowance for doubtful accounts, prepaid items and other assets;
- Vouching capital asset additions and deletions, analyzing charges for appropriate accounting and testing depreciation;



**Segment II:
Year-end
Procedures
(Final Fieldwork)**

- Testing accounts payable cut-offs and balances, including an analysis of subsequent disbursements;
- Testing accrued payroll, compensated absences, claims payable, OPEB payable, and other accrued liability cut-offs and balances;
- Testing debt balances and debt covenant compliance;
- Testing compliance with applicable laws and regulations;
- Testing the classification of net position (unrestricted, restricted and net investment in capital assets);
- Performing analytical procedures and substantive testing of revenues and expenditures/expenses;
- Obtaining and auditing the final schedule of expenditures of Federal awards, State Financial Assistance and Passenger Facility Charges;
- Completing compliance tests for the major programs selected for testing as required by the Federal and State Single Audit Act and testing of Passenger Facility Charges in accordance with the respective guidance, as applicable;
- End of fieldwork exit conference.

Segment III: Review, Completion & Delivery Procedures (Feb. - March 2019)



This segment includes:

- Reviewing workpapers to ensure quality and thoroughness of audit procedures;
- Summarizing the results of audit procedures;
- Obtaining attorney letters;
- Evaluating commitments, contingencies and subsequent events;
- Proposing audit adjustments;
- Summarizing and evaluating passed audit adjustments;
- Evaluating compliance exceptions;
- Reviewing draft financial statements and related note disclosures;
- Performing financial condition assessment procedures;
- Preparing drafts of audit reports and management letter;
- Delivering drafts of audit reports and letters to appropriate client officials;
- Finalizing all reports and management letter;
- Obtaining signed representation letter and the City’s approval of the final financial statements;
- Drafting the Data Collection Form and obtaining the City’s approval;
- Preparing and providing the City a PDF document and “camera ready” copy of the audited financial statements;
- Final exit conferences and presentations with appropriate City officials.

Following the completion of the audit, we will provide written draft reports to management for review and approval including the following:

- Independent Auditors’ Report;
- 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 for Each Major Federal Program and State Project and Report on Internal Control Over Compliance Required by the Uniform Guidance and Chapter 10.550 (if applicable);

- A schedule of findings and questioned costs in accordance with Uniform Guidance (Formerly OMB Circular A-133);
- Management Letter pursuant to Chapter 10.550, Rules of the Auditor General of the State of Florida;
- Acknowledgement and communication surrounding Statement of Auditing Standards (SAS) No. 114, *The Auditor’s Communication with Those Charged with Governance*. We will provide, as required, communications to management on each of the following:
 - Our responsibility, as your auditors, under auditing standards generally accepted in the United States of America.
 - Accounting policies.
 - Management’s judgments and accounting estimates.
 - Financial statement disclosures.
 - Related accounting matters.
 - Significant difficulties encountered in performing the audit.
 - Audit adjustments.
 - Disagreements with management.
 - Representations from management.
 - Management consultation with other accountants.
 - Significant issues discussed with management.
 - Other information in documents containing audited financial statements.
 - Independence.

Level of Staff and Number of Hours to Be Assigned to Each Proposed Segment of the Engagement

Based on the City’s request for proposal and our review of the City’s prior CAFR, we have also prepared a schedule of events, including level of staff and number of hours to be assigned to each proposed segment of the engagement, which is representative of the expected 2018 audit in the following tabular presentation:

Segmented Hours by Staff Level				
Segments	Engagement Team Members by Level			
	Partner	Manager	Staff	Total
Segment I - Planning and Interim Procedures	20	40	40	100
Segment II - Final Audit Fieldwork Procedures	30	120	300	450
Segment III - Review, Completion & Delivery Procedures	60	70	20	150
Total Engagement	110	230	360	700

Timing of Audit Process & Procedures						
Segments	Fiscal Year 2018 Audit Calendar					
	Aug	Nov	Dec	Jan	Feb	Mar
Segment I - Planning and Interim Procedures						
Ongoing consultation on major issues & developments throughout the year, and greater discussions as year end approaches (such as new GASB standards).	■					
Meet management to discuss audit risks and scopes.	■					
Engagement team planning meetings and performance of interim audit procedures.	■					
Gain understanding of significant processes & key controls.	■					
Perform testing of key controls with goal of reducing substantive audit testing.	■					
Determine nature, timing and extent of substantive tests to be performed and finalize audit plan.	■					
Pre-audit meetings with the City Council President, Mayor and Chief Financial Officer and any others desiring a meeting at the City		■				
Segment II - Final Audit Fieldwork Procedures						
Perform substantive tests (detail testing of respective general ledger / trial balance accounts, and final analytical procedures & key ratios & relationship of financial data).				■		
Performance of single audit procedures				■		
Conduct a final evaluation of risk assessments				■		
Conduct progress meetings with management as needed and as often as desired.				■		
Meeting with management to discuss draft deliverables and final completion and presentation time-frames.					■	
Segment III - Review, Completion & Delivery Procedures						
Upon management's review, delivery of financial statements, internal control reports, and management letter to management by early March each year.						■
Presentation of audit deliverables to the governing board						■

Mauldin & Jenkins believes that we are uniquely qualified to perform the audit of the City. In a time in which very significant changes continue to be implemented in the City's financial reporting model, it is imperative for the City's auditors to understand the City's financial reporting environment and processes. The team proposed to serve you is made up of individuals who have significant experience in auditing local governments of various sizes in the Southeast and who have served many similar Cities.

Sample Size and the Extent to Which Statistical Sampling Will be Used in the Engagement

Our approach to auditing relies heavily on the use of audit sampling as provided in U.S. Auditing Standards AU-C Section 530, *Audit Sampling*. We would plan to utilize audit sampling whenever a decision is made to apply a specific audit procedure to a representative sample of items within the account balance or class of transactions with the objective being reaching a conclusion about the entire balance or class.

We anticipate using audit sampling on the following types of audit tests:

- Substantive tests of details of balance sheet account balances
- Substantive tests of details of transactions
- Tests of controls
- Tests of compliance with laws and regulations

Our use of audit sampling will be based on the guidance in AU-C Section 530 and the AICPA Audit and Accounting Guide - Audit Sampling.

Extent of the Use of EDP Software in the Engagement

Mauldin & Jenkins utilizes a 100% paperless audit approach to the performance of all of our audits via the utilization of ProSystems Engagement. This software has been used by our Firm for many years and allows us to streamline the overall audit process. Additionally, standard Microsoft applications are utilized in conjunction with ProSystems. These include Word and Excel. All of our audit team members are equipped with laptop computers and are extensively trained in the use of our computer applications.



Our Use of City Software – Our Bradenton office team members have extensive experience with clients utilizing various accounting softwares. We have a thorough understanding of the system and use of the account inquiry, utility billing, cash management and various other functions and modules within these different governmental softwares. We are very proficient in its use and functions and thus typically have the ability to work on our own running reports, obtaining audit documentation, etc. during the audit process. Additionally, if given the access by our clients, we are able to also perform typical testing through client systems remotely from remote locations such as our office or elsewhere. We believe that this is an efficient way to utilize the City's resources while also not burdening City staff with requests for information as we have knowledgeable professionals who can easily access the information through the City's software, if available.

The Management Advisory Services (MAS) department of Mauldin & Jenkins includes certain individuals who have had substantial training in the accounting, auditing, and use of electronic data processing (EDP) Systems. To compliment these highly trained individuals, all members of the audit staff have also had significant training in computer auditing techniques. Mauldin & Jenkins uses a very detailed and structured approach in using computer auditing techniques, which has been extremely successful for us in our past engagements.

At the start of the engagement during our planning phase, we will assess the computer systems used by the City, and plan the specific computer aided auditing techniques to be used. This will decrease time spent in initial file setup, trial balance setup, and data integrity testing. This approach will allow for more effective audits resulting in a fast sort, filter and analysis of multiple transactions in a population, and provide for

drilling down on those items that have the highest risk. Examples of uses of extraction and data analysis in our audit approach are as follows:

- 1) Summarizing disbursements for a period by dollar range and compare to policy guidelines for complying with certain attributes (approvals and signature requirements, etc.);
- 2) Searching check register listings for unrecorded items or checks written during the fiscal year;
- 3) Converting bank or investment activity statements to Excel to provide for a quick listing of deposits for an entire period/year;
- 4) Converting vendor file information to Excel and comparing employee files with addresses for any similar or unusual items related to vendor files;
- 5) Analyzing general ledger detail transactions and journal entries for effective and efficient testing of all activity for the fiscal year as compared to the prior year;
- 6) Downloading trial balances, detail journals, and selected transaction files into our software through IDEA.

The trial balance downloaded will then be used to agree to the ultimate draft of the City's financial statements ensuring that all adjustments and balances are brought forward into the financial statements and providing a clean audit trail for review and support of the City's financial statements.

Should the City desire a need for our computer aided techniques for non-audit purposes, we would be happy to assist management with our expertise in data extraction and analysis.

Type and Extent of Analytical Procedures to be Used in the Engagement

Analytical procedures can be applied to almost every financial statement amount and are often less costly to apply than tests of details. It is, therefore, an efficient audit strategy to employ analytical procedures to the maximum extent possible, and vary the required extent of substantive tests of details inversely with the degree of assurance already obtained.

The elements of analytical procedures we plan to consider are as follows:

- 1) Identify the factors on which a given accounting result should depend;
- 2) Determine the approximate relationship between the accounting result and those underlying factors;
- 3) Predict what the current results should be if that relationship continued;
- 4) Compare the actual current result to the prediction;
- 5) Investigate and corroborate significant variances between the actual result and the prediction;
- 6) Reach a conclusion as to the reasonableness of the reported result.

Types of analytical procedures employed will include:

- Reviewing changes from prior years for reasonableness.
- Scanning accounts for items larger or smaller than expected when compared to budgets or forecasts.
- Reviewing and comparing logical relationships between years (e.g., payroll taxes and benefits to wages, etc.). Comparisons between years can be made more effective when logical relationships between elements of the financial statements that would be expected to conform to the predictable pattern are used to develop trends. This is primarily accomplished through the use of ratios.

- Analyzing and comparing nonfinancial information, such as number of taxable properties, geographical area, number of employees, etc.

All analytical procedures performed as substantive tests are documented on each applicable audit program.

Approach to be Taken to Gain and Document an Understanding of the City's Internal Control Structure

For purposes of an audit of the financial statements and statutory, regulatory and contractual compliance, the City's control structure consists of the following five elements as they relate to the City's ability to conduct operations and use resources in accordance with management's authorization and consistent with laws, regulations, contracts and policies, and to record, process, summarize, and report financial data consistent with assertions embodied in the financial statements: the control environment; risk assessment, control activities, information and communication processes/systems, and monitoring. The internal control structure and its policies and procedures are an important source of information about the types and risks of potential material misstatements that could occur in the financial statements and violations of statutory, regulatory and contractual requirements. This information is essential for effective audit planning and in designing effective and efficient audit tests.

In our understanding of the City's internal control structure, we will obtain knowledge about:

- How internal control structure policies, procedures and records are designed;
- Whether internal control structure policies, procedures and records have been placed in operation, i.e., whether the City is using them;
- Whether internal control structure policies, procedures and records are designed effectively, i.e., whether they are likely to prevent or detect material misstatements or compliance violations on a timely basis;
- Whether internal control structure policies, procedures and records are operating effectively.

Auditing standards generally accepted in the United States of America require the auditor to document our understandings of the internal control structure elements. The form and extent of documentation is flexible. Generally, the more complex an entity's internal control structure and the more extensive the procedures performed to obtain the understanding, the more extensive our documentation should be. In addition to memos, we plan to use specific designed forms and questionnaires to document our understanding of the internal control structure. Recent changes in auditing standards, known as the risk assessment standards, denote that the auditor is not required to test internal control so as to rely on them to reduce other test work, but do not allow for only inquiry procedures related to internal control. We are required, and will perform, other procedures, such as walkthroughs and observation, related to controls over significant financial statement and audit assertions.

Approach to be Taken in Determining Laws and Regulations to be Subject of Audit Test Work

Our approach to be taken to determine the laws and regulations that will be subject to audit test work will include procedures designed to identify requirements found in legal or legislative data, administrative regulations, and documents associated with grant and contract arrangements. The following procedures and policies will be applied depending on the nature and materiality of the laws and regulations:

- During the planning phase, the type of audit to be performed, as it relates to compliance matters, will be communicated to all personnel assigned to the engagement.

- Obtain a list of all federal award programs from which the client received and expended funds and identify, using the prescribed risk-based approach, the major programs required to be audited. If a program-specific audit is required, identify the award program to be audited.
- Identify applicable state and local statutory and regulatory requirements and contractual requirements.
- Plan and document the audit procedures to be performed relative to material state and local statutory and regulatory requirements and contractual requirements.
- Perform and document federal, state, and local statutory, regulatory and contractual compliance audit procedures as deemed to be applicable and appropriate during the planning stage of the engagement.
- Make specific inquiries of management concerning the following matters:
 - The County’s compliance with laws and regulations.
 - The County’s policies relative to the prevention of statutory, regulatory and contractual violations.
 - The use of directives issued by the County and periodic representations obtained by the County from officials and other management personnel at appropriate levels of authority concerning compliance with laws and regulations.

Approach to be Taken in Drawing Audit Samples for Purposes of Tests of Compliance

Applicable auditing standards state that, in testing for compliance with laws and regulations, the number, selection, and testing of transactions is based on the auditor’s professional judgment. None of the guidelines, primarily AU-C Section 250, explain whether this requirement to select a representative number for testing compliance means that audit sampling is necessary.

The two possible approaches to audit sampling are nonstatistical and statistical. AU-C Section 530 *Audit Sampling* indicates that both of these approaches are capable of producing sufficient evidential matter, if properly applied. The types of procedures that are applied are not determined by the sampling approach used. Either approach may be used to apply whatever tests of details deemed necessary in the circumstances. The importance of professional judgment cannot be overemphasized as it applies to the evaluation of the adequacy of evidential matter generated by the sampling approach. Regardless of the sampling approach selected, we will properly plan, perform, and evaluate the results of the sample. Professional judgment must be used to relate the sample results to other evidential matter when we form a conclusion about compliance with laws and regulations. It should be noted, however, that not all tests of compliance or controls are transaction related. If we decide to use audit sampling, attention is focused on which sampling approach (statistical or non-statistical) to use. Substantial information is given in the AICPA Sampling Guide and several college and professional books on the use of various statistical sampling approaches.

The basic requirements that relate to all compliance related samples, statistical and nonstatistical, are as follows:

- **Planning.** We will relate the population to the objective of the audit test; i.e., defining the population and sampling unit.
- **Selection.** We will select items that can be expected to be representative of the population.
- **Evaluation.** We will project sample results to the population and consider sampling risk.

In a compliance sampling application, the population is defined as all items that constitute the account balance or class of transactions, or the portion of the balance or class, being tested (i.e., all expenditures of

the County above a certain threshold required to be bid). The population for a substantive sample usually is the account balance or class of transactions excluding those items selected for testing because of individual significance. The term individually significant item encompasses two types of items:

- Individually significant dollar items
- Unusual items (that is, items that have audit significance by their nature)

Due to the nature of tests of controls, we ordinarily are not concerned with identifying individually significant items when tests of controls are performed using audit sampling.

Sampling results can be projected only to the population from which the sample is drawn. The use of the wrong population for a sampling application could mean that conclusions based on the sample are invalid for our purpose.

The sampling units are the individual items that are subjected to tests and that represent the components of the population. It is important to properly identify the sampling unit before the sample is selected to produce an efficient and effective sampling application. Examples of sampling units would be individual capital disbursements, etc. The determination of the specific sampling unit is influenced by the following considerations:

- The sampling unit should produce an efficient sampling plan.
- The sampling plan must be effective to accomplish its objectives.
- The nature of the audit procedures can determine the sampling unit to be used. AU-C Section 530 requires a “representative sample”. There are several commonly used methods of selecting samples that meet the criteria of representativeness stipulated by AU-C Section 530. The following are some of those methods:
 - **Random selection.** Regardless of the method of sampling used, statistical or nonstatistical, a random selection provides each item in the population an equal chance of being selected. Numerous random selection methods are discussed in the AICPA Sampling Guide, including stratified random sampling.
 - **Systematic sampling.** This method can be used with nonstatistical or statistical sampling to give every item in the population an equal chance of being selected if a random start is used. However, it may not produce an equal opportunity for all combinations of sampling units to be selected unless numerous random starts are made. The population is divided by the number of sample items to determine the sampling interval to use.
 - **Haphazard selection.** Under this method, nonstatistical sample items are selected in no specific pattern without bias for or against any items in the population. This could be done by selecting a sample of items from the paid invoices for the year if there were no bias for or against large ones. We may use this method provided care is taken to be sure no conscious bias is added to the selection process.

We will evaluate whether the sample selected seems representative of the population to be tested. If the sample does not seem representative, we would reselect.

For substantive tests of details, we will, if practical, stratify any remaining population. Generally, the remaining population should be divided into at least two subgroups that are more similar in dollar amount. One useful approach to stratification is to base this division on the average amount of an item in the remaining population. All items above the average amount would be one subgroup, and all items below that amount would be the other subgroup.

For all items in the population to have a chance to be selected, we will determine that the sample population actually includes all the items (e.g., capital disbursements, etc.) comprising the balance. There are many ways to determine the completeness of a sample population, including:

- If the sample is selected from a trial balance, we can foot the trial balance and reconcile the total to the account balance.
- If the items are numerically sequenced, we can scan the accounting records to account for the numerical sequence of items in the population and select the sample from that sequence.

The two sampling forms presented both include a step that allows the auditor to document how the completeness of the sample population was considered. Whenever practical, we will consider using random selection (with a random number table or microcomputer-generated numbers) or systematic selection. Haphazard selection may be used when the population is not numbered or when other circumstances make use of a random-based method impractical. Using one of these random-based methods does not make the sampling application statistical.

The evaluation of sample results has two aspects. We will need to project the noncompliance. Also, we will need to consider the sampling risk. In a statistical sample, sampling risk must still be considered and restricted to a relatively low level but cannot be objectively measured. This is the primary conceptual distinction between statistical and non-statistical sampling. In the two non-statistical sampling approaches presented in this section, sampling risk is assessed by considering whether the rate or amount of exceptions identified in the sample exceed the expected rate or amount of exceptions used in designing the sample.

TAB 4

FLORIDA ENGAGEMENTS



Florida Client Listing

As requested, please see table below listing our Bradenton office location Florida governmental client listing as of the date of this proposal. We have included contact names and phone numbers also, as requested. If additional information is necessary, please let us know and we will be happy to provide such data.

Client Name	Dates of Service	Contact Person	Phone Number
Bayshore Gardens Park & Recreation District	2006 to current	Jodie Lawman, Director	941-755-1912
Captiva Erosion Prevention District	2014 to current	Damon Grant, Administrator	239-472-2472
City of Cooper City	2016 to current	Sherry Walker, Asst. Finance Director	954-434-4300 x228
City of Crystal River	2014 to current	Michelle Russell, Finance Director	352-795-4216
City of Haines City	2012 to current	Tavia Conner, Finance Director	863-421-9902
City of Hallandale Beach	2017 to current	Barbara Hastings, Consultant	954-457-1365
City of Marco Island	2013 to current	Gil Polanco, Finance Director	239-389-5016
City of Naples	2006 to current	Gary Young, Deputy Finance Director	239-213-1815
City of North Port	2013 to current	Pete Lear, City Manager	941-429-7119
City of Pensacola	2013 to current	Laura Picklap, Accounting Services Manager	850-435-1822
City of Plant City	2013 to current	Diane Reichard, Finance Director	813-659-4215
City of Sarasota Firefighters Pension	2015 to current	Pamela Nadalini, City Auditor and Clerk	941-954-4160
City of Sarasota General Employees Pension	2015 to current	Pamela Nadalini, City Auditor and Clerk	941-954-4160
City of Sarasota Police Officers' Pension	2015 to current	Pamela Nadalini, City Auditor and Clerk	941-954-4160
Emerald Coast Utilities Authority	Current	Patricia Sheldon, Finance Director	850-969-3321
Hallandale Beach Community Redevelopment Agency	2017 to current	Barbara Hastings, Consultant	954-457-1365
Hardee County Industrial Development Authority	2016 to current	Bill Lambert, Director	863-773-3030
Highlands County School District	2012 to current	Richard Birt, Director of Finance	863-471-5664
Lakeland Area Mass Transit	2017 to current	David Persaud, Chief Financial Officer	863-327-1303
North Port Firefighters Pension Plan	2007 to current	Dave Carroll, Plan Administrator	276-617-8360
North Port Police Pension Plan	2015 to current	Richard Manzo, Plan Administrator	239-573-4750
Ocean Highway and Port Authority	2013 to current	Joanna Cason, Office Manager	904-491-7422
Polk Transit Authority	2017 to current	David Persaud, Chief Financial Officer	863-327-1303
South Florida Regional Transportation Authority	2017 to current	Richard Chess, Director of Finance	954-788-7881
Tampa Bay Water	2017 to current	Sandro Srdlin, Finance Manager	727-791-2306
Town of Lake Placid	2012 to current	Rachel Osborne, Finance Director	863-699-3747
Town of Longboat Key	2014 to current	Susan Smith, Finance Director	941-316-6882
Trailer Estates Park & Recreation District	2003 to current	TJ Miller, Office Manager	941-756-7177
Village of Islamorada	2013 to current	Maria Bassett, Finance Director	305-664-6445
Village of Pinecrest	2017 to current	Marie Arteaga-Narino, Finance Director	305-234-2121

Client References

As stated previously, Mauldin & Jenkins audits over 400 governmental entities throughout the Southeast. In addressing the City’s interest in the qualifications and client references of Mauldin & Jenkins and the request for audits performed that are similar to that of the City of Key West, we have elected to report on the following current Mauldin & Jenkins clients, all of which either provide similar services as the City or are of similar size. Should management of the City need additional references, we would be happy to provide such data.

1) City of Pensacola, Florida

General Information	City government with a population of approximately 52,000. City has assets of approximately \$605 million and annual revenues of approximately \$165 million. The City provides numerous services including: natural gas service, solid waste collection and disposal, airport operations, port operations, public safety, parks and recreation, community development, and other customary services.
Scope & Type of Engagement	Financial audits and compliance audits in accordance with OMB Circular A-133 and the Florida State Single Audit requirements. Preparation of CAFR and the maintenance of the GFOA Certificate.
Dates	September 30, 2013 through present
Partners/Manager	Wade Sansbury/Trey Scott
Total Hours	700 hours
Contact Information	Ms. Laura Picklap – (850) 435-1822 – lpicklap@cityofpensacola.com

2) City of North Port, Florida

General Information	City government with a population of approximately 60,000. City has assets of approximately \$507 million and annual revenues of approximately \$95 million. The City provides numerous services including: water & sewer, solid waste, and other customary services and maintains 2 single employer defined benefit pension plans.
Scope & Type of Engagement	Financial audits and compliance audits in accordance with the Uniform Guidance. Preparation of CAFR and Certificate of Achievement awarded by GFOA.
Dates	September 30, 2013 through present
Partner/Manager	Wade Sansbury/Jennifer Ruffino-Cook
Total Hours	500 hours
Contact Information	Mr. Peter Lear, City Manager – (941) 429-7119 – Fax (941)-429-7195 plear@cityofnorthport.com

3) City of Naples, Florida

General Information	City government with a population of approximately 21,000. City has assets of approximately \$304 million and annual revenues of approximately \$86 million. The City provides numerous services including: water & sewer, solid waste, stormwater, public safety, parks and recreation, community development, and other customary services.
Scope & Type of Engagement	Financial audits and compliance audits in accordance with Uniform Guidance (Single Audits). Preparation of CAFR and Certificate of Achievement awarded by GFOA. Audit of 3 single employer DB Pension plans.
Dates	September 30, 2006 through present
Partner/Manager	Wade Sansbury/Daniel Anderson
Total Hours	500 hours
Contact Information	Mr. Gary Young, Deputy Finance Director – (239) 213-1815 – gyoung@naplesgov.com

4) City of Marco Island

General Information	City government with a population of approximately 16,700. City has assets of approximately \$412 million and annual revenues of approximately \$63 million. The City provides numerous services including: water, sewer, solid waste collection and disposal, public safety, parks and recreation, community development, and other customary services.
Scope & Type of Engagement	Financial audits and compliance audits in accordance with OMB Circular A-133. Preparation of CAFR and the maintenance of the GFOA Certificate.
Dates	2013 through present
Partners/Manager	Wade Sansbury/Daniel Anderson
Total Hours	500 hours
Contact Information	Guillermo Polanco, Finance Director – (239) 389-5016 – gpolanco@cityofmarcoisland.com

5) City of Cooper City, Florida

General Information	City government with a population of approximately 34,000. City has assets of approximately \$128 million and annual revenues of approximately \$52 million. The City provides numerous customary services including: water, sewer, stormwater, public safety, and parks and recreation among others and maintains 3 single employer DB pension plans.
Scope & Type of Engagement	Financial audits and compliance audits in accordance with the Uniform Guidance. Preparation of CAFR and the maintenance of the GFOA Certificate.
Dates	September 30, 2016 through present
Partner/Manager	Wade Sansbury/Trey Scott
Total Hours	350 hours
Contact Information	Horacio Montes de Oca – (954) 434-4300 – hmontes@coopercityfl.org or Sherry Walker, Asst Finance Director – (954) 434-4300 ext 228 – Swalker@CooperCityFl.org

6) City of Haines City

General Information	City government with a population of approximately 21,000. City has assets of approximately \$139 million and annual revenues of approximately \$31 million. The City provides numerous services including: water, sewer, stormwater, solid waste collection and disposal, public safety, parks and recreation, community development, and other customary services.
Scope & Type of Engagement	Financial audits and compliance audits in accordance with OMB Circular A-133. Preparation of CAFR and the maintenance of the GFOA Certificate.
Dates	2012 through present
Partners/Manager	Wade Sansbury/Jennifer Ruffino-Cook
Total Hours	400 hours
Contact Information	Tavia Conner, Assistant Finance Director – (863) 421-9902 – sconner@hainescity.com

7) Islamorada, Village of Islands, Florida

General Information	City government with a population of approximately 6,600. City has assets of approximately \$254 million and annual revenues of approximately \$32 million. The City provides numerous services including: solid waste collection and disposal, marina operations, wastewater operations, stormwater operations, public safety, parks and recreation, community development, and other customary services.
Scope & Type of Engagement	Financial audits and compliance audits in accordance with OMB Circular A-133 and the Florida State Single Audit requirements. Preparation of CAFR.
Dates	September 30, 2013 through present
Partners/Manager	Alison Wester/Daniel Anderson
Total Hours	400 hours
Contact Information	Maria T. Bassett – (305) 664-6445 – maria.bassett@islamorada.fl.us

Note that Mauldin & Jenkins has not performed any engagements within the last five years for the City of Key West, Florida.

TAB 5

REPORT FORMAT





INDEPENDENT AUDITOR'S REPORT

To the Honorable May, City Commission and City Manager
City of Key West, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Key West, Florida (the "City"), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Pension Trust Fund for the Police Officers and Firefighters, which represent 65%, 65%, and 68%, respectively, of the assets, net position, and total additions of the Fiduciary Funds. Also, we did not audit the financial statements of the Housing Authority of the City of Key West, Florida, which is the sole discretely presented component unit. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts for the Pension Trust Fund for Police Officers and Firefighters and the Housing Authority of the City of Key West, Florida, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of September 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund and the Gas Tax Fund (a major special revenue fund) for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension and other post-employment benefit schedules on pages xx and xx, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is also not a required part of the basic financial statements of the City.

The combining and individual fund statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Bradenton, Florida
March 25, 2019

Sample Reports



INDEPENDENT AUDITOR'S 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*

To the Honorable May, City Commission and City Manager
City of Key West, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Key West, Florida (the "City"), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 25, 2019. Our report includes a reference to other auditors who audited the financial statements of the Housing Authority of the City of Key West, Florida, which is the sole discretely presented component unit, as described in our report on the City's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. Also, other auditors audited the financial statements of the Pension Trust Fund for Police Officers and Firefighters, as described in our report on the City's financial statements. The financial statements of the Pension Trust Fund for Police Officers and Firefighters were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bradenton, Florida
March 25, 2019

Sample Reports



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

To the Honorable May, City Commission and City Manager
City of Key West, Florida

Report on Compliance for Each Major Federal Program

We have audited the City of Key West, Florida's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2018. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). The Uniform Guidance requires that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program, however, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2018.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Bradenton, Florida
March 25, 2019

**CITY OF KEY WEST, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

**SECTION I
SUMMARY OF AUDIT RESULTS**

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:
Material weaknesses identified? ___ yes X no

Significant deficiencies identified not considered
to be material weaknesses? ___ yes X none reported

Noncompliance material to financial statements noted? ___ yes X no

Federal Programs

Internal Control over major federal or state programs:
Material weaknesses identified? ___ yes X no

Significant deficiencies identified not considered
to be material weaknesses? ___ yes X none reported

Type of auditor's report issued on compliance for
major Federal programs: Unmodified

Any audit findings disclosed that are required to
be reported in accordance with the Uniform Guidance? ___ yes X no

Identification of major federal program

CFDA Number	Name of Federal Program or Cluster
20.205	U.S. Department of Transportation – Local Agency Program

Dollar threshold used to distinguish between
Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? ___ yes X no

**SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES**

Not current year findings noted

**SECTION III
FEDERAL AWARD AND STATE FINANCIAL ASSISTANCE PROJECT
FINDINGS AND QUESTIONED COSTS**

None noted.

**SECTION IV
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

Not prior year findings noted

Sample Reports



INDEPENDENT AUDITOR'S MANAGEMENT LETTER

To the Honorable May, City Commission and City Manager
City of Key West, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Key West, Florida (the "City"), as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated March 25, 2019.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

Other Reports and Schedule

We have issued our Independent Auditor's 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 Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 25, 2019, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations in the preceding annual financial audit report requiring correction.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The City of Key West, Florida was established under the provisions of Chapter 23374, Laws of Florida (1945), as amended. The City includes as its component unit, the Housing Authority of the City of Key West, Florida, created by Florida Statute Chapter 421 and by resolution in 1938.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our 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 to identify the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Annual Financial Report

Section 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the annual financial report for the City for the fiscal year ended September 30, 2018, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2018. In connection with our audit, we determined that these two reports were in agreement.

Special District Component Units

Section 10.554(1)(i)5.d, Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Mayor and Members of the City Council, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Bradenton, Florida
March 25, 2019



INDEPENDENT ACCOUNTANT'S REPORT

To the Honorable May, City Commission and City Manager
City of Key West, Florida

We have examined the City of Key West, Florida's (the "City") compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2018. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2018.

This report is intended solely for the information and use of the City and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

Bradenton, Florida
March 21, 2018

TAB 6

PROPOSAL FORM



GROUP A			
ITEM #	AUDIT PERIOD ENDING	TOTAL PROJECTED HOURS	TOTAL FEE
Initial 3 Year Term			
1	September 30, 2018	700 hours	\$ 99,500.00
2	September 30, 2019	660 hours	\$ 99,500.00
3	September 30, 2020	660 hours	\$ 101,500.00
Additional Two-Year Contract Extension			
4	September 30, 2021	660 hours	\$ 103,500.00
5	September 30, 2022	660 hours	\$ 105,600.00
OVERALL TOTAL (Items 1-5)		3,340 hours	\$ 509,600.00

Company Name **Mauldin & Jenkins, LLC**

GROUP B		
ITEM #	DESCRIPTION	HOURLY RATE
8	Partner	\$ 280.00
9	Manager	\$ 180.00
10	Supervisory Staff	\$ 150.00
11	Staff	\$ 120.00

GROUP C		
ITEM #	PROJECTED 2018 AUDIT	ESTIMATED HOURS
12	Partner	110.00
13	Manager	230.00
14	Supervisory Staff	160.00
15	Staff	200.00
TOTAL		700.00

The Respondent certifies that as a condition of proposing he will hold good his proposal prices for a minimum period of ninety (90) calendar days from the date proposals are opened.

Company Name Mauldin & Jenkins, LLC

Important Notes to be Considered:

Note (1) – Unlimited Correspondence: It is Mauldin & Jenkins’ policy to not charge for simple discussions and conversations that occur between the governmental entity and Mauldin & Jenkins that are only simple discussions (i.e., a phone call to ask certain questions that do not require additional research).

Note (2) – Free Periodic Continuing Education: As noted in our technical proposal, we provide free continuing education classes to our clients. This could amount to approximately \$3,000 of annual savings for the City’s estimated finance department per person.

Note (3) – Additional Services: If it should become necessary for the City to request Mauldin & Jenkins to provide any additional services (such as bond issuances, etc.), then such additional work shall be performed only if set forth in an addendum to the contract between the City and Mauldin & Jenkins.

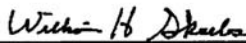
Note (4) – No Hidden Fees or Costs: The pricing schedules contain all pricing information relative to performance of the audit as required by the City including all reimbursement for travel, lodging, communications, etc. Our estimated number of hours and the associated fee estimate indicated are based on our professional judgment and experience with similar governmental entities. So long as there are no significant changes in the operations or the number of major programs of the City and or the scope of services requested or significant problems requiring additional time, our quoted fees will not change.

Note (5) – Single Audit: The City’s Request for Proposal (RFP) noted a Single Audit is required annually. Our proposal includes the provision for an audit of up to four (4) major federal and/or state programs. If the City requires single audit procedures on additional major programs, we propose an additional fee of \$4,000 per major program.

TAB 7
INSURANCE

Insurance

Mauldin & Jenkins currently meets or exceeds the insurance coverages as detailed in Section 5.2 of the City's request for proposal. Proof of such insurance will be furnished to the City in detail and to the City's satisfaction prior to the start of any work performed for the City. The City of Key West will also be named as an additional insured for all General Liability prior to entering into a contract for services. See below for our current general insurance certificate.

ACORD®		CERTIFICATE OF LIABILITY INSURANCE		DATE (MM/DD/YYYY) 08/31/2017			
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 have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).							
PRODUCER PointeNorth Insurance Group, LLC PO Box 724728 Atlanta GA 31139			CONTACT NAME: Selena Durden PHONE (A/C, No, Ext): (770)858-7540 FAX (A/C, No): (770)858-7545 E-MAIL ADDRESS: sdurden@PointeNorthIns.com				
INSURED Mauldin & Jenkins, LLC 200 Galleria Parkway SE Suite 1700 Atlanta GA 30339-5946			INSURER(S) AFFORDING COVERAGE INSURER A: Cincinnati Insurance Company INSURER B: Rated by Multiple Companies INSURER C: INSURER D: INSURER E: INSURER F:		NAIC # 10677 00914		
COVERAGES CERTIFICATE NUMBER: CL1783161877 REVISION NUMBER:							
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.							
INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:		Y	ECP0258054/EBA0258054	07/01/2017	07/01/2018	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 2,000,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 4,000,000 PRODUCTS - COMP/OP AGG \$ 4,000,000 Employee Benefits \$ 2,000,000
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY			ECP0258054/EBA0258054	07/01/2017	07/01/2018	COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
A	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 0			EXS 0262115	07/01/2017	07/01/2018	EACH OCCURRENCE \$ AGGREGATE \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	20WECAI5405	08/31/2017	08/31/2018	PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYEE \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000
DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)							
CERTIFICATE HOLDER				CANCELLATION			
				SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.			
				AUTHORIZED REPRESENTATIVE 			

TAB 8

REFERENCES

References

We have included in Tab 4 several references for the City's consideration and contact. Additionally, we are including within this section several letters of recommendation from our clients. If the City needs any additional references or contacts from any of our other clients, please feel free to contact them.



City of Pensacola
222 West Main Street
Pensacola, Florida 32502

To Whom It May Concern:

Mauldin & Jenkins, LLC has provided our entity with independent audit services of our financial statements for the past several years. These services have been professionally conducted timely and without budget over runs with knowledgeable and experienced governmental staff. I would recommend their firm for your upcoming audit service needs.

If you have any questions, feel free to contact me.

Sincerely,

A handwritten signature in blue ink that reads "Laura Picklap".

Laura Picklap, CPA
Accounting Services Manager





Finance Department

Donna B. Williams, CGFM
Director

Timothy E. Schroer, CPA, CGMA
Deputy Director

April 26, 2017

To Whom It May Concern:

Mauldin & Jenkins, LLC has provided Augusta, Georgia with independent audit services of our financial statements for the past several years. These services have been professionally conducted timely and without budget over runs with knowledgeable and experienced governmental staff. I would recommend their firm for your upcoming audit service needs.

If you have any questions, feel free to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "T. Schroer", written over a horizontal line.

Timothy E. Schroer, CPA, CGMA
Deputy Director – Finance



To Whom It May Concern:

Mauldin & Jenkins, LLC has provided our entity with independent audit services of our financial statements for the past several years. These services have been professionally conducted timely and without budget over runs with knowledgeable and experienced governmental staff. I would recommend their firm for your upcoming audit service needs.

If you have any questions, feel free to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "MH", is written over a light blue horizontal line.

Mike Hopkins
Executive Director
Newton County Water & Sewerage Authority
11325 Brown Bridge Road
Covington, Georgia 30016
Main Office: 770-787-1375
www.ncwsa.us

Board of Directors Sandra Murman, Dave Eggers, Pat Gerard, Pat Kemp,
Rob Marlowe, Charlie Miranda, Ron Oakley, Darden Rice, Kathryn Starkey
General Manager Matthew W. Jordan
General Counsel Barrie S. Buenaventura, Conn & Buenaventura, P.A.
2575 Enterprise Road, Clearwater, FL 33763-1102
Phone: 727.796.2355 / Fax: 727.791.2388
www.tampabaywater.org



To Whom It May Concern:

Mauldin & Jenkins, LLC provided our entity with independent audit services of our comprehensive annual financial report (CAFR) for our fiscal year ended September 30, 2017 and are contracted to do so for the near future. These services have been professionally conducted timely and without budget over runs with knowledgeable and experienced governmental staff (Wade Sansbury – engagement partner, Trey Scott – engagement director, and Daniel Anderson – engagement Manager). The staff from Mauldin & Jenkins, LLC is the most professional and knowledgeable auditing staff that I have worked with in my twelve plus years in accounting. I would recommend their firm for your upcoming audit service needs.

If you have any questions, feel free to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "Sandro Svrclin", is written over a light blue horizontal line.

Sandro Svrclin, CPA, MBA
Finance Manager
Tampa Bay Water
2575 Enterprise Road
Clearwater, Florida 33763
Office: (727)791-2306

TAB 9

SUBMITTAL FORMS & REQUESTED INFORMATION



PART V RFP SUBMITTALS

5.1 PRICE PROPOSAL FORM

Respondents are to make no changes to the table below and are to fill the table out completely. Values must be provided for all categories below and must represent the total cost for each service in Group A. The Total Fee for each audit period includes all out-of-pocket expenses for firm personnel (e.g. travel, lodging, copies, etc.). As specified in Section 1.21 additional work shall be included reflecting hourly rates in Group B. The estimated (projected) hours by type of staff member for the first year (2018) of the audit must be included in Group C.

GROUP A			
ITEM #	AUDIT PERIOD ENDING	TOTAL PROJECTED HOURS	TOTAL FEE
Initial 3 Year Term			
1	September 30, 2018		\$
2	September 30, 2019		\$
3	September 30, 2020		\$
Additional Two-Year Contract Extension			
4	September 30, 2021		\$
5	September 30, 2022		\$
OVERALL TOTAL (Items 1-5)			\$

Company Name Mauldin & Jenkins, LLC

GROUP B		
ITEM	DESCRIPTION	HOURLY RATE
8	Partner	\$
9	Manager	\$
10	Supervisory Staff	\$
11	Staff	\$

GROUP C		
ITEM	PROJECTED 2018 AUDIT	ESTIMATED HOURS
12	Partner	
13	Manager	
14	Supervisory Staff	
15	Staff	
TOTAL		

The Respondent certifies that as a condition of proposing he will hold good his proposal prices for a minimum period of ninety (90) calendar days from the date proposals are opened.

Company Name Mauldin & Jenkins, LLC

The undersigned Respondent hereby certifies that the terms and conditions, including but not limited to, the scope of work have not been altered or modified in any manner. Any modification to this solicitation by the proposer will result in Proposer's response being found non-responsive and thereby disqualified.

The undersigned Respondent hereby certifies that he has received all the Addenda listed below and has incorporated them into his proposal listed herein. Failure to acknowledge any and all addenda may render the proposal non-responsive and no further evaluation of the proposal will occur.

Addendum(s) # 1 through # 2 Respondent's Initials WPS

Wade P. Sansbury
(Signature)

Wade P. Sansbury
(Printed Name)

Mauldin & Jenkins, LLC
Name of Company, Firm

Partner
(Printed Title)

941-747-4483
Telephone Number

941-747-6035
Facsimile Number

wsansbury@mjcpa.com
Email Address

5.3 REQUEST FOR INFORMATION TO SUBMIT WITH IRS W-9 FORM

Federal Income Tax Law requires a Form 1099 with a valid taxpayer identification number to be filed for payments made in the course of conducting a trade or business. Further, these payments may be subject to Backup Federal Income Tax Withholding for all payees who have not submitted a correct Federal Tax Identification Number at the time of payment.

Please read this form and complete the information thereon before signing and **returning with a copy of your IRS W9 Form. If you are a corporation**, we will not issue you a Form 1099 (Reference: 1.6401-3(c)). However, kindly return this form to document your corporate status.

VENDOR NAME Mauldin & Jenkins, LLC
DBA: _____
CORPORATE ADDRESS: 1401 Manatee Avenue West, Suite 1200
CITY: Bradenton **STATE:** FL **ZIP:** 34205
TELEPHONE: (941) 747-4483 **FAX:** (941) 747-6035 **ALTERNATE PHONE:** (941) 714-2255

"THE ABOVE INFORMATION WILL BE USED FOR PURCHASE ORDERS"

REMIT TO ADDRESS: Same as above
CITY: _____ **STATE:** _____ **ZIP:** _____
TELEPHONE: (____) _____ **FAX:** (____) _____ **ALTERNATE PHONE:** (____) _____

COMPANY CONTACT NAME: Wade P. Sansbury
COMPANY/CONTACT EMAIL ADDRESS: wsansbury@mjcpa.com

TYPE OF ORGANIZATION

- 1. Corporation
- 2. Partnership
- 3. Sole Proprietor
- 4. Individual
- 5. Government Agency
- 6. Other: LLC

1099 REPORTING STATUS (Check One): Yes No

TAXPAYER IDENTIFICATION NUMBER:

Employer Identification Number: 58 - 0692043 (Or) Social Security Number: _____ - _____ - _____

Print name of Taxpayer if using SS#: _____

Under penalties of perjury, I certify that this statement is accurate and complete.

Signature: Wade P. Sansbury Title: Partner

Date: 05-21-18 Phone: (941) 747-4483

Form W-9
 (Rev. November 2017)
 Department of the Treasury
 Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give Form to the requester. Do not send to the IRS.

▶ Go to www.irs.gov/FormW9 for instructions and the latest information.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.

2 Business name/disregarded entity name, if different from above
Mauldin & Jenkins, LLC

3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes.

Individual/sole proprietor or single-member LLC C Corporation S Corporation Partnership Trust/estate

Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ **P**

Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.

Other (see instructions) ▶

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):
 Exempt payee code (if any) _____
 Exemption from FATCA reporting code (if any) _____
(Applies to accounts maintained outside the U.S.)

5 Address (number, street, and apt. or suite no.) See instructions.
200 Galleria Parkway Suite 1700

6 City, state, and ZIP code
Atlanta, GA 30339

7 List account number(s) here (optional)

Requester's name and address (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number	
[][] - [][] - [][][][]	
or	
Employer identification number	
5 8 - 0 6 9 2 0 4 3	

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here Signature of U.S. person *Kristen C. Ford* Date ▶ **1/5/18**

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.

**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, KEY WEST, FLORIDA by: Wade P. Sansbury
(print individual's name and title)
for: Mauldin & Jenkins, LLC
(print name of entity submitting sworn statement)
whose business address is: 1401 Manatee Avenue West, Suite 1200, Bradenton, FL 34205
and (if applicable) its Federal Employer Identification Number (FEIN) is: 58-0692043
(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 misrepresentations.
3. I understand that "convicted" or "conviction" as defined in Paragraph 287.133(1)(b), 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 1, 1989, as a result of a jury verdict, non-jury 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
 - 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 agents 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 or 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 Statutes, 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 relations to the entity submitting this sworn statement. (Indicate which statement applies).

- Neither the entity submitting this sworn statement, nor 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 1, 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 1, 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 1, 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).

I UNDERSTAND THAT THE SUBMISSION OF THIS FORM TO THE CONTRACTING OFFICER FOR THE PUBLIC ENTITY IDENTIFIED IN PARAGRAPH 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 CATEGORY TWO OF ANY CHANGE IN THE INFORMATION CONTAINED IN THIS FORM.

Wade P. Sombury

 Signature

Sworn to and subscribed before me this 21 day of May, 2018.

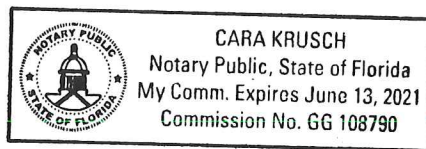
Personally known OR Produced Identification _____

Notary Public – State of Florida

Type of Identification _____

My Commission Expires: June 13, 2021

SEAL OR STAMP *Cara Krusch*



ANTI-KICKBACK AFFIDAVIT

STATE OF FLORIDA)
 : SS
COUNTY OF MONROE)
 Manatee

I, the undersigned hereby duly sworn, depose and say that no portion of the sum herein bid will be paid to any employees 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.

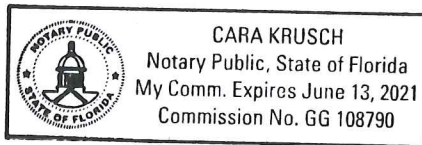
By: Wade P. Sansbury
Wade P. Sansbury

Sworn and subscribed before me this

21 day of May, 2018.

[Signature]
NOTARY PUBLIC, State of Florida at Large

My Commission Expires: June 13, 2021



NON-COLLUSION AFFIDAVIT

STATE OF FLORIDA)
 : SS
COUNTY OF MONROE)
 Manatee

I, the undersigned hereby declares that the only persons or parties interested in this Request for Qualifications are those named herein, that this Request for Qualifications is, in all respects, fair and without fraud, that it is made without collusion with any official of the Owner, and that the Request for Qualifications is made without any connection or collusion with any person submitting another Request for Qualifications on this Contract.

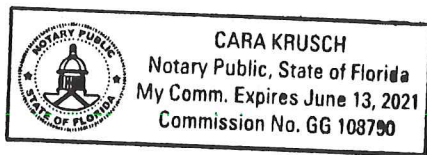
By: Wade P. Sansbury
Wade P. Sansbury

Sworn and subscribed before me this

21 day of May, 2018.

Cara Krusch
NOTARY PUBLIC, State of Florida at Large

My Commission Expires: June 13, 2021



INDEMNIFICATION

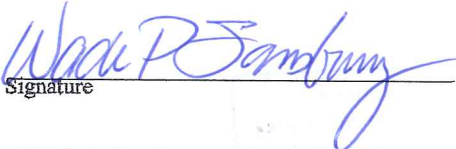
To the fullest extent permitted by law, the CONSULTANT expressly agrees to indemnify and hold harmless the City of Key West, their officers, directors, agents, and employees (herein called the "indemnitees") from liabilities, damages, losses and costs, including, but not limited to, reasonable attorney's fees and court costs, such legal expenses to include costs incurred in establishing the indemnification and other rights agreed to in this Paragraph, to persons or property, to the extent caused by the negligence, recklessness, or intentional wrongful misconduct of the CONSULTANT, its Sub-consultants or persons employed or utilized by them in the performance of the Contract. Claims by indemnitees for indemnification shall be limited to the amount of CONSULTANT's insurance or \$1 million per occurrence, whichever is greater. The parties acknowledge that the amount of the indemnity required hereunder bears a reasonable commercial relationship to the Contract and it is part of the project specifications or the bid documents, if any.

The indemnification obligations under the Contract shall not be restricted in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for the CONSULTANT under workers' compensation acts, disability benefits acts, or other employee benefits acts, and shall extend to and include any actions brought by or in the name of any employee of the CONSULTANT or of any third party to whom CONSULTANT may subcontract a part or all the Work. This indemnification shall continue beyond the date of completion of the work.

CONTRACTOR: Mauldin & Jenkins, LLC

SEAL:

1401 Manatee Avenue W, Suite 1200, Bradenton, FL 34205
Address


Signature

Wade P. Sansbury
Print Name

Partner
Title

05-21-18
Date

EQUAL BENEFITS FOR DOMESTIC PARTNERS AFFIDAVIT

STATE OF Florida)
 : SS
COUNTY OF Manatee)

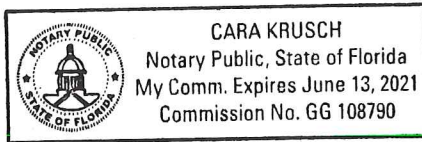
I, the undersigned hereby duly sworn, depose and say that the firm of Mauldin & Jenkins, LLC provides benefits to domestic partners of its employees on the same basis as it provides benefits to employees' spouses per City of Key West Ordinance Sec. 2-799.

By: Wade P. Sansbury
Wade P. Sansbury

Sworn and subscribed before me this
21 day of May, 2018.

Cara Krusch
NOTARY PUBLIC, _____ at Large
State of Florida

My Commission Expires: June 13, 2021



CONE OF SILENCE AFFIDAVIT

STATE OF Florida)
 : SS
COUNTY OF Manatee)

I the undersigned hereby duly sworn depose and say that all owner(s), partners, officers, directors, employees and agents representing the firm of Mauldin & Jenkins, LLC have read and understand the limitations and procedures regarding communications concerning City of Key West issued competitive solicitations pursuant to City of Key West Ordinance Section 2-773 Cone of Silence (attached).

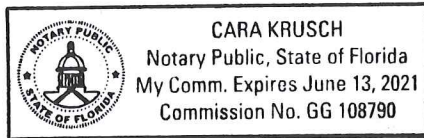
Wade P. Sambury
(signature)
05-21-18
(date)

Sworn and subscribed before me this

21 Day of May, 2018.

Cara Krusch
NOTARY PUBLIC, State of Florida at Large

My Commission Expires: June 13, 2021



TAB 10

**PROHIBITION NON-COLLUSION/CONFLICT
OF INTEREST DISCLOSURE STATEMENTS**



Statement of Non-Collusion

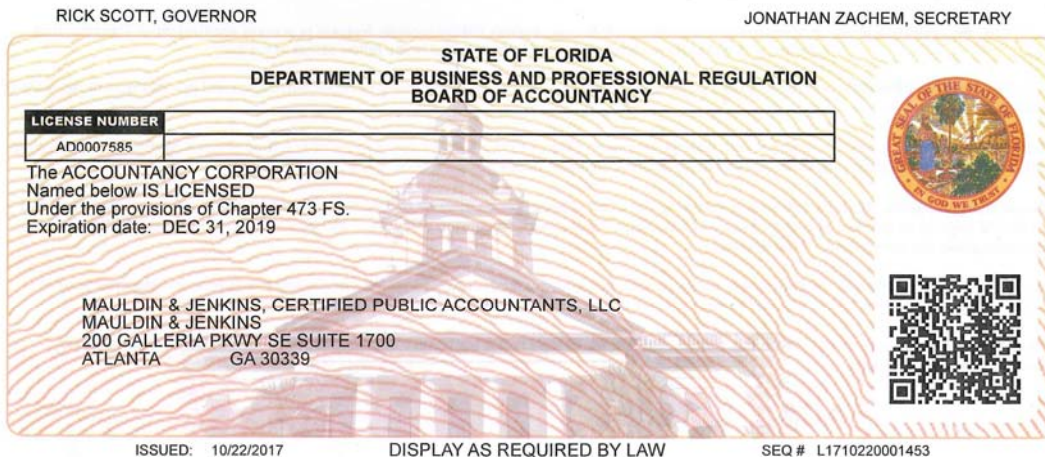
Mauldin & Jenkins certifies, and in the case of a joint proposal, each party thereto certifies as to its own organization, that in connection with this solicitation the information provided has been arrived at independently, without consultation, communication, or agreement with any other respondent or with any competitor for the purpose of restricting competition, or in any way influencing the competitive arena.

Conflict of Interest

The award of this contract is subject to the provisions of Chapter 112, Florida Statutes. As such, we must disclose within our proposal the name of any officer, director, employee or agent (or their spouse or child) who is also an employee or officer of the City of Key West. Furthermore, we must disclose the name of any City employee or officer (or their spouse or child) who owns, directly or indirectly, an interest of more than five percent (5%) in our Firm or any of its affiliates or subsidiaries. By submission of this Bid, Mauldin & Jenkins certifies, under penalty of perjury, that to the best of our knowledge and belief, that no officer or employee of the City (or their spouse or child), directly or indirectly, owns an interest of more than five percent (5%) of our firm; nor does the Firm know of any City officer or employee having any financial interest in assisting the Firm to obtain, or in any other way effecting, the award of the contract to Mauldin and Jenkins.

License to Practice in the State of Florida

Mauldin & Jenkins is licensed to practice public accounting within the State of Florida. Our Firm’s Florida license number is AD0007585. Additionally, all assigned key professional staff are properly licensed and registered to practice public accounting within the State of Florida. We have included a copy of the Firm’s state licensure below. All individual licenses are available upon request and can be independently verified at www.myfloridalicense.com.



Additionally, our Firm is properly registered with the Florida Department of State Division of Corporations.

The signature on the transmittal letter of this proposal shall certify the veracity of the above statements.

TAB 11

OPTIONAL INFORMATION



PAFR Experience

The GFOA established the Popular Annual Financial Report (PAFR) Awards Program in 1991 to encourage and assist state and local governments to extract information from their comprehensive annual financial report to produce a high quality PAFR. PAFR's are specifically designed to be readily accessible and easily understandable to the general public and other interested parties without a background in public finance. The GFOA's award program recognizes individual governments that are successful in achieving that goal.

Mauldin & Jenkins currently serves 12 local governments who prepare a PAFR on an annual basis. We assist our clients in planning, developing and reviewing their PAFR's, and believe such deliverables to be extremely valuable to governments communicating their finances to the general public.

Should the City be interested in preparing such a report, we would enjoy the opportunity to assist.

Municipal Bond Experience

In case the City plans to issue and refund bonds in the coming years, we have elected to share with the City some of our experience in the municipal bond area of auditing and financial reporting.

Please see our qualifications regarding our bond program auditing experience within the past three years. Such qualifications include our auditing municipal bond programs with at least \$50 million of outstanding bonded debt for which much of the debt has been issued in the past three years, and we have issued numerous consent letters and comfort letters as part of the overall service to our governmental clients during the issuance of such bonded debt. As part of such a large government client base, Mauldin & Jenkins serves 40 clients who meet the above criteria.

Additionally, we audit the Georgia State Finance and Investment Commission (GSFIC) who has issued several billions of general obligation bonds on behalf of the State of Georgia.

Audits of Federally Funded Programs (Single Audits)

Relative to current audits, Mauldin & Jenkins audited **147 entities** representing approximately **\$8.1 billion in federal expenditures** for state, local government and non-profit clients which is the:

- **10th highest** among public accounting firms in the nation as it relates to total expenditures audited under the Single Audit Act; and,
- **26th highest** among public accounting firms in the nation as it relates to number of Single Audits conducted.

As such we have significant experience in performing both federal single audits and State of Florida single audits on a current basis. All individuals listed within this proposal annually perform single audits and have some form of single audit training/updates. We are currently aware of the new Uniform Guidance and are aware of the changes needed on upcoming audits as it relates to the new guidance. This includes State of Florida single audit changes to be in conformity with the federal changes. Our experience above includes audits of Federal Housing Assistance Programs (including auditing the City's program for the past five years).

Our Firm also has served on the AICPA single audit quality task force whereby we helped the profession understand and perform better single audits across the country.

Other Attestation Services

Other attestation services beyond financial and compliance audits which Mauldin & Jenkins currently provides to our clients include:

- Forensic audits
- Performance audits
- Information systems audits
- Agreed-upon procedures
- Bond issuance services
- Fixed asset inventory services

Other Non-Attestation Services

Other services beyond the above attestation types which Mauldin & Jenkins currently provides to our clients include:

- Federal and state income tax planning/return preparation
- International tax matters
- Multi-state income tax issues
- Payroll tax issues
- Information technology (IT) systems consulting
- Cost accounting analysis
- Cost segregation services
- Business & strategic planning
- Profitability consulting
- Budgeting
- Merger/acquisition & expansion financing
- Buy-Sell agreements and business valuations
- Estate planning
- Employee benefit plan accounting and administration
- State sales tax matters
- Healthcare cost reimbursement
- Human resources (HR) predictive index services and interviewing and hiring
- Business, strategic and succession planning
- Information systems consulting and technology engagements

Involvement in Governmental Accounting Committees and Associations

Mauldin & Jenkins is very committed and dedicated to the governmental industry. The Firm is a member of the AICPA Governmental Quality Institute and we also have an individual who serves as an executive committee member of the Institute. We have individuals who also give back by teaching at both national and state levels in addition to our client training courses. Our experiences with national level typically see Firm personnel speaking at the national AICPA Governmental and or Governmental and Non-profit annual conferences. The Firm is also a part of the AICPA Single Audit Quality Improvement Task Force whereby individuals from the Firm are part of this committee. This committee's sole purpose is to help the profession as a whole do a better job overall in the performance and documentation of single audits. An individual from the Firm currently chairs this task force.

As noted elsewhere within our proposal, the Firm itself is a member of the American Institute of Certified Public Accountants and the Government Finance Officers Association. Additionally, most all governmental professional staff are individually members of the AICPA and GFOA as well as the local state chapters including the Florida GFOA.

Lastly, as mentioned within our transmittal letter, Tommye Barie has recently completed serving as the Chairman of the AICPA Board of Directors. We are very proud of Tommye's accomplishments and her being able to represent Mauldin & Jenkins in her role as the leader of the world's largest member association representing the accounting profession, with more than 412,000 members in 144 countries.

TAB 12

ADDENDA

Addenda

We acknowledge receipt of the addendum numbers 1 and 2 as it relates to this proposal and Request for Proposal Number 008-18. Both addendum are reflected on the following pages as required by the RFP.



**CITY OF KEY WEST
FINANCE DEPARTMENT
1300 White Street
Key West, FL 33040**

**ADDENDUM NO. 1
INDEPENDENT AUDITING SERVICES
RFP # 008-18**

The information contained in this Addendum adds information to be included in the Proposal and is hereby made a part of the Contract Documents. The referenced proposal package is hereby added in accordance with the following items:

QUESTIONS & CLARIFICATIONS:

1. What were the audit fees paid for FY15, FY16 and FY17 and did they include any special or additional billing?

FY2017 - \$124,000
FY2016 - \$122,000
FY2015 - \$120,000
Special/additional billings – see #2

2. If additional billings were required, what were the related services?

Schedule of Revenues and Expenditures for the U.S. Department of Navy
FY2017 - \$ 7,000
FY2016 - \$10,000
FY2015 - \$10,000

3. How long has the City's engagement been with the current auditor?

10 years

4. Who are the members of the Selection Committee?

Finance Director
Senior Grants Administrator
Deputy Director of Community Services (former Revenue/Collections Manager)
Local CPA

5. Regarding fieldwork, what is the preferred timeline for the audit visit by the City?

Typically start around January 15th

6. Confirming that the City expects to be subject to both a Federal and State single audit?

Yes

Information only:

FY17 CAFR is now posted on the City of Key West website. <http://www.cityofkeywest-fl.gov/>



**CITY OF KEY WEST
FINANCE DEPARTMENT
1300 White Street
Key West, FL 33040**

**ADDENDUM NO. 2
INDEPENDENT AUDITING SERVICES
RFP # 008-18**

The information contained in this Addendum adds information to be included in the Proposal and is hereby made a part of the Contract Documents. The referenced proposal package is hereby added in accordance with the following items:

QUESTIONS & CLARIFICATIONS:

1. Have the auditors recommended Journal Entries (entries that were either posted or passed on by the City) in any of the last several years? If so, can you please list out what they were for?

City size and complexity in the last several years, have resulted in about an average of 40 post closing entries. Entries prepared by both finance staff and auditors.

2. Are there any material current events that will affect the City during the 9/30/18 fiscal year (lawsuits, debt issuances, changing software, new programs, loss/gain of major funding source...)?

The City has ongoing software conversions taking place.
Finance (GL, AP, purchasing, cash receipts, AR) – completed Sept. 2016
HR and Payroll – completed August 2017
Fixed Assets - scheduled completion June 2018
Community (Building, Planning & Licensing) scheduled for late 2018

Hurricane Irma - FEMA and Insurance reporting and reimbursements

No other known material events for FY18

3. Can you please provide the audit fee for the last three years?

See Addendum #1 – question #1

4. Can you please provide the engagement hours for the last three years?

Average 1400-1450 hours per year

5. What aspects of the previous audits with Keefe McCullough did you enjoy? What aspects would you like to change? Are they allowed to bid on this RFP?

Open and timely communication, flexible and easy to work with.

No changes

Yes

6. Have there been any written verbal auditor recommendations as it relates to internal controls in the last two audit periods?

No written recommendations in the last 2 audits. Throughout the year upcoming pronouncements are discussed.

7. Can you please send us a copy of the 2017 Single Audit, Agreed Upon Procedures Report as required by the Florida Department of Transportation, and Schedule of Revenues and Expenditures for the U.S. Department of Navy (Fund 602)?

See attached documents

8. On the title/introductory page of the RFP it states the proposals need to be received by May 23rd; however, on page 3 it states the proposals are due May 9th. We just wanted to double check that May 23rd is the correct due date.

May 23rd is the correct date

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