

**CITY OF FORT PIERCE, FLORIDA
PROPOSAL FOR AUDIT SERVICES**

PROPOSED BY:

Berger, Toombs, Elam, Gaines & Frank
CERTIFIED PUBLIC ACCOUNTANTS, PL

600 Citrus Avenue, Suite 200
Fort Pierce, Florida 34950

(772) 461-6120

CONTACT PERSON:

J. W. Gaines, CPA, Director

DATE OF PROPOSAL:

July 18, 2016

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Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

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July 18, 2016

Ms. Gelencia Carter
Procurement Department
City of Fort Pierce, Florida
100 N. US 1
Fort Pierce, FL 34950

Dear Ms. Carter:

Thank you very much for the opportunity to present our professional credentials to provide audit services for the City of Fort Pierce, Florida and the Fort Pierce Utilities Authority.

Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants PL has assembled a team of governmental and nonprofit specialists second to none to serve our clients. Our firm has the necessary qualifications and experience to serve as the independent auditors for the City of Fort Pierce, Florida. We will provide you with top quality, responsive service.

Experience

Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants PL is a recognized leader in providing services to governmental and nonprofit agencies throughout Florida. We have been the independent auditors for a number of local governmental agencies and through our experience in performing their audits, we have been able to increase our audit efficiency and; therefore, reduce costs. We have continually passed this cost savings on to our clients and will continue to do so in the future. As a result of our experience and expertise, we have developed an effective and efficient audit approach designed to meet or exceed the performance specifications 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 and the standards for financial and compliance audits. We will conduct the audit in accordance with auditing standards generally accepted in the United States of America; "Government Auditing Standards" issued by the Comptroller General of the United States; the provisions of the Single Audit Act, Subpart F of Title 2 US Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. OMB Circular A-133, "Audits of States, Local Government, and Nonprofit Organizations", with minimal disruption to your operations. Our firm has frequent technical updates to keep our personnel informed and up-to-date on all changes that are occurring within the industry.

City of Fort Pierce, Florida
August 18, 2011

Our firm has served as the independent auditors for the City of Fort Pierce, Florida for over 30 years through the year ended September 30, 2004. We are very familiar with the operations of the City, the Utilities Authority and the Community Redevelopment Agency. Our audit director, J. W. Gaines, served as the Chairman of the Citizens Budget Advisory Committee for two years and, therefore, is aware of the accounting and budgetary status and issues facing the City and the Utilities Authority.

To facilitate your evaluation of our qualifications and experience, we have arranged this proposal to include a resume of our firm, including our available staff, our extensive prior governmental and nonprofit auditing experience and clients to be contacted.

We are committed to meeting the deadlines established for completing the audit process and are very familiar with the scope of work required by the City of Fort Pierce, the Utilities Authority and the Community Redevelopment Agency.

We understand that the attached proposal is a firm and irrevocable offer for the three fiscal years beginning with the fiscal year ended September 30, 2016 through the fiscal year ended September 30, 2018.

You need a firm that will provide an efficient, cost-effective, high-quality audit within critical time constraints. You need a firm with the prerequisite governmental and nonprofit experience to perform your audit according to stringent legal and regulatory requirements, a firm that understands the complex nature of community development districts and their unique compliance requirements. You need a firm with recognized governmental and nonprofit specialists within the finance and governmental communities. You need a firm familiar with the operations and accounting systems utilized by the City of Fort Pierce, Florida and its component units. And, certainly, you need a firm that will provide you with valuable feedback to enhance your current and future operations. Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants PL is that firm. J. W. Gaines is the person authorized to make representations for the firm.

Thank you again for the opportunity to submit this proposal to the City of Fort Pierce, Florida.

Very truly yours,

*Berger, Toombs, Elam,
Gaines & Frank*

Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

PROFILE OF THE PROPOSER

Description and History of Audit Firm

Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants PL is a Fort Pierce public accounting firm, which qualifies as a small business firm, as established by the Small Business Administration (13 CFR 121.38), with offices in Fort Pierce and Stuart. We are a member of the Florida Institute of Certified Public Accountants and the American Institute of Certified Public Accountants. The firm was formed from the merger of Edwards, Berger, Harris & Company (originated in 1972) and McAlpin, Curtis & Associates (originated in 1949). J. W. Gaines and Associates (originated in 1979) merged with the firm in 2004. Our tremendous growth rate experienced over the last years is directly attributable to the firm's unrelenting dedication to providing the highest quality, responsive professional services attainable to its clients.

Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants PL is licensed to practice by the State of Florida. All of the certified public accountants employed by the firm are properly licensed to practice in the State of Florida.

We are a member of the Private Companies Practice Section (PCPS) of the American Institute of Certified Public Accountants (AICPA) to assure we meet the highest standards. Membership in this practice section requires that our firm meet more stringent standards than standard AICPA membership. These rigorous requirements include the requirement of a triennial peer review of our firm's auditing and accounting practice and annual Continuing Professional Education (CPE) for all accounting staff (whether CPA or non-CPA). For standard AICPA membership, only a quality review is required and only CPAs must meet CPE requirements.

We are also a member of the Government Audit Quality Center ("the Center") of the American Institute of Certified Public Accountants to assure the quality of our government audits. Membership in the Center, which is voluntary, requires our firm to comply with additional standards to promote the quality of government audits. **We are the only St. Lucie County firm that is a member of the Government Audit Quality Center.**

We have been extensively involved in serving local government entities with professional accounting, auditing and consulting services throughout the entire 67 year history of our firm. Our substantial experience over the years makes us uniquely qualified to provide accounting, auditing, and consulting services to these clients. We are a recognized leader in providing services to governmental and nonprofit agencies on the Treasure Coast and in Central and South Florida, with extensive experience in auditing all types of governmental entities. We were the independent auditors of the City of Fort Pierce for over 37 years and currently, we are the independent auditors for St. Lucie County since 2002, and for 33 of the 37 years that the county has been audited by CPA firms. Additionally, we have performed audits of the Town of Ocean Breeze Park, the City of Stuart, the City of Vero Beach, Indian River County and Martin County. We also presently audit over 70 Special Districts throughout Florida.

Our firm was founded on the belief that we are better able to respond to our clients needs through education, experience, independence, quality control, and personal service. Our firm's commitment to quality is reflected in our endeavor of professional excellence via continuing education, the use of the latest computer technology, professional membership in PCPS and peer review.

Description and History of Audit Firm (Continued)

We believe our approach to audit engagements, intelligence and innovation teamed with sound professional judgment enables us to explore new concepts while remaining sensitive to the fundamental need for practical solutions. We take pride in giving you the assurance that the personal assistance you receive comes from years of advanced training, technical experience and financial acumen.

Professional Staff Resources

Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants PL has a total of 26 professional and administrative staff (including 10 professional staff with extensive experience servicing government entities). The work will be performed out of our Fort Pierce office with a proposed staff of one senior accountant and two or three staff accountants supervised by the audit principal and audit director. With the exception of the directors of the firm's offices, the professional staff is not specifically assigned to any of our individual offices. The professional and administrative staff resources available to you through Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants PL are as follows:

	<u>Total</u>
Partners/Directors	5
Principals	1
Managers	1
Senior/Supervisor Accountants	2
Staff Accountants	8
Computer Specialist	1
Paraprofessional	6
Administrative	<u>3</u>
Total – all personnel	27

The professional staff resources with governmental accounting and auditing experience are as follows:

	<u>Total</u>
Partners/Directors	2
Principals	1
Managers	1
Senior/Supervisor Accountants	2
Staff Accountants	<u>5</u>
Total – all personnel	11

J. W. Gaines, Audit Director, and David S. McGuire, Audit Principal, will be the individuals assigned to supervise and manage this engagement.

Following is a brief description of each employee classification:

Staff Accountant – Staff accountants work directly under the constant supervision of the auditor-in-charge and, are responsible for the various testing of documents, account analysis and any other duties as his/her supervisor believes appropriate. Minimum qualification for a staff accountant is graduation from an accredited university or college with a master's degree in accounting or equivalent.

Professional Staff Resources (Continued)

Senior Accountant – A senior accountant must possess all the qualifications of the staff accountant, in addition to being able to draft the necessary reports and financial statements, and supervise other staff accountants when necessary.

Managers – A manager must possess the qualifications of the senior accountant, plus be able to work without extensive supervision from the auditor-in-charge. The manager should be able to draft audit reports from start to finish and to supervise the audit team, if necessary.

Principal – A principal is a partner/director in training. He has been a manager for several years and possesses the technical skills to act as the auditor –in-charge. A principal has no financial interest in the firm.

Partner/Director – The director has extensive governmental auditing experience and acts as the auditor-in-charge. Directors have a financial interest in the firm.

Independence – Independence of the public accounting firm, with respect to the audit client, is the foundation from which the public gains its trust in the opinion issued by the public accounting firm at the end of the audit process. This independence must be in appearance as well as in fact. The public must perceive that the accounting firm is independent of the audit entity to insure that nothing would compromise the opinion issued by the public accounting firm. **Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants PL** is independent of the City of Fort Pierce, Florida, the Fort Pierce Utilities Authority and the Fort Pierce Community Redevelopment Agency, including its elected officials and related parties, at the date of this proposal, as defined by the following rules, regulations, and standards:

AuSection 220 – Statements on Auditing Standards issued by the American Institute of Certified Public Accountants;

ET Sections 101 and 102 – Code of Professional Conduct of the American Institute of Certified Public Accountants;

Chapter 21A-1, Florida Administrative Code;

Section 473.315, Florida Statutes; and,

Government Auditing Standards, issued by the Comptroller General of the United States.

On an annual basis, all members of the firm are required to confirm, in writing, that they have no personal or financial relationships or holding that would impair their independence with regard to the firm's clients.

Independence is a hallmark of our profession. We encourage our staff to use professional judgment in situations where our independence could be impaired or the perception of a conflict of interest might exist. In the governmental sector, public perception is as important as professional standards. Therefore, the utmost care must be exercised by independent auditors in the performance of their duties.

Professional Staff Resources (Continued)

J. W. Gaines, the audit director, serves on the Civil Service Appeals Board for the City. This is an independent quasi judicial Board that hears civil service appeals. Mr. Gaines will resign from this Board should the firm be awarded the audit contract.

Ability to Furnish the Required Services

As previously noted in the Profile of the Proposer section of this document, our firm has been in existence for over 67 years. We have provided audit services to some clients for over 30 years continually. Our firm is insured against physical loss through commercial insurance and we also carry liability insurance. The majority of our audit documentation is stored electronically, both on our office network and on each employee laptop or computer assigned to each specific job. Our office computer network is backed up, so in the event of a total equipment loss, we can restore all data as soon as replacement equipment is acquired. In addition, our field laptop computers carry the same data and can be used in the event of emergency with virtually no delay in completing the required services

ADDITIONAL SERVICES PROVIDED

Arbitrage Rebate Services

Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants PL also provides arbitrage rebate compliance and related services to governmental issuers. The Tax Reform Act of 1986 requires issuers of most tax-exempt obligations to pay (i.e., "rebate") to the United States government any arbitrage profits. Arbitrage profits are earnings on the investment of bond proceeds and certain other monies in excess of what would have been earned had such monies been invested at a yield equal to the yield on the bonds.

Federal tax law requires that interim rebate calculations and payments are due at the end of every fifth bond year. Final payment is required upon redemption of the bonds. More frequent calculations may be deemed advisable by an issuer's auditor, trustee or bond counsel or to assure that accurate and current records are available. These more frequent requirements are usually contained in the Arbitrage or Rebate Certificate with respect to the bonds.

Our firm performs a comprehensive rebate analysis and includes the following:

- Verifying that the issue is subject to rebate;
- Calculating the bond yield;
- Identifying, and separately accounting for, all "Gross Proceeds" (as that term is defined in the Code) of the bond issue, including those requiring analysis due to "transferred proceeds" and/or "commingled funds" circumstances;
- Determining what general and/or elective options are available to Gross proceeds of the issue;
- Calculating the issue's excess investment earning (rebate liability), if any;
- Delivering appropriate documentation to support all calculations;
- Providing an executive summary identifying the methodology employed, major assumptions, conclusions, and any other recommendations for changes in recordkeeping and investment policies;
- Assisting as necessary in the event of an Internal Revenue Service inquiry; and,
- Consulting with issue staff, as necessary, regarding arbitrage related matters.

GOVERNMENTAL AUDITING EXPERIENCE

Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants PL has been practicing public accounting in Florida for 67 years. Our success over the years has been the result of a strong commitment to providing personalized quality service to our clients.

The current members of our firm have performed audits of over 1,500 municipalities, counties and other governmental entities in Florida, such as St. Lucie County and the City of Fort Pierce.

Our firm provides a variety of accounting, auditing, tax litigation support, and consulting services. Some of the professional accounting, auditing and management consulting services that are provided by our firm are listed below:

- Performance of annual financial and compliance audits, including Single Audits of state and federal financial assistance programs, conducting the audit in accordance with auditing standards generally accepted in the United States of America; "Government Auditing Standards" issued by the Comptroller General of the United States; the provisions of the Single Audit Act, Subpart F of Title 2 US Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. OMB Circular A-133.
- Performance of special compliance audits to ascertain compliance with the applicable local, state and federal laws and regulations;
- Issuance of comfort letters and consent letters in conjunction with the issuance of tax-exempt debt obligations, including compiling financial data and interim period financial statement reviews;
- Calculation of estimated and actual federal arbitrage rebates;
- Assistance in compiling historical financial data for first-time and supplemental submissions for GFOA Certificate of Achievement for Excellence in Financial Reporting;
- Preparation of indirect cost allocation systems in accordance with Federal and State regulatory requirements;
- Providing human resource and employee benefit consulting;
- Performance of automation feasibility studies and disaster recovery plans;
- Performance feasibility studies concerning major fixed asset acquisitions and utility plant expansion plans (including electric, water, pollution control, and sanitation utilities); and
- Assistance in litigation, including testimony in civil and criminal court.
- Assist clients who utilize QuickBooks software with their software needs. Our Certified QuickBooks Advisor has undergone extensive training through QuickBooks and has passed several exams to attain this Certification.

Continuing Professional Education

All members of the governmental audit staff of our firm, and audit team members assigned to this engagement, are in compliance with the Continuing Professional Education (CPE) requirements set forth in Government Auditing Standards issued by the Comptroller General of the United States. In addition, our firm is in compliance with the applicable provisions of the Florida Statutes that require CPA's to have met certain CPE requirements prior to proposing on governmental audit engagements.

GOVERNMENTAL AUDITING EXPERIENCE (CONTINUED)

The audit team has extensive experience in performing governmental audits and is exposed to intensive and continuing concentration on these types of audits. Due to the total number of governmental audits our team performs, each member of our governmental staff must understand and be able to perform several types of governmental audits. It is our objective to provide each professional employee fifty hours or more of comprehensive continuing professional education each year. This is accomplished through attending seminars throughout Florida and is reinforced through in-house training.

Our firm has made a steadfast commitment to professional education. Our active attendance and participation in continuing professional education is a major part of our objective to obtain the most recent knowledge on issues which are of importance to our clients. We are growing on the reputation for work that our firm is providing today.

Quality Control Program

Quality control requires continuing commitment to professional excellence. **Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants PL** is formally dedicated to that commitment.

To ensure maintaining the standards of working excellence required by our firm, we joined the Private Companies Practice Section (PCPS) of the American Institute of Certified Public Accountants (AICPA). To be a participating member firm of this practice section, a firm must obtain an independent Peer Review of its quality control policies and procedures to ascertain the firm's compliance with existing auditing standards on the applicable engagements.

The scope of the Peer Review is comprehensive in that it specifically reviews the following quality control policies and procedures of the participating firm:

- Professional, economic, and administrative independence;
- Assignment of professional personnel to engagements;
- Consultation on technical matters;
- Supervision of engagement personnel;
- Hiring and employment of personnel;
- Professional development;
- Advancement;
- Acceptance and continuation of clients; and,
- Inspection and review system.

We believe that our commitment to the program is rewarding not only to our firm, but primarily to our clients.

The external independent Peer Review of the elements of our quality control policies and procedures performed by an independent certified public accountant, approved by the PCPS of the AICPA, provides you with the assurance that we continue to conform to standards of the profession in the conduct of our accounting and auditing practice.

GOVERNMENTAL AUDITING EXPERIENCE (CONTINUED)

Our firm has completed successive Peer Reviews which always include a review of a specific governmental engagement. These reviews included a representative sample of our firm's local governmental auditing engagements as required by our membership in the Government Audit Quality Center. As a result of these reviews, our firm obtained an unqualified opinion on our quality control program and work procedures. On page 32 is a copy of our most recent Peer Review report. It should be noted that we received a pass rating.

Our firm has never had any disciplinary actions by state regulatory bodies or professional organizations.

As our firm performs approximately seventy five audits each year that are reviewed by federal, state or local entities, we are constantly dealing with questions from these entities about our audits. We are pleased to say that any questions that have been raised were minor issues and were easily resolved without re-issuing any reports.

Certificate of Achievement for Excellence in Financial Reporting (CAFR)

We are proud and honored to have been involved with the City of Fort Pierce and the Fort Pierce Utilities Authority when they received their first Certificates of Achievement for Excellence in Financial Reporting for the fiscal years ended September 30, 1988 and 1994, respectively. We were also instrumental in the City of Stuart receiving the award, in our first year of performing their audit, for the year ended September 30, 1999. We are equally proud of the fact that the City of Fort Pierce and the Fort Pierce Utilities Authority received this highest honor in governmental financial reporting for each subsequent fiscal year that we performed their audit.

We also assisted St. Lucie County, Florida for the year ended September 30, 2003, in preparing their first Comprehensive Annual Financial Report, and St. Lucie County has received their Certificate of Achievement for Excellence in Financial Reporting for each subsequent fiscal year.

As continued commitment to insuring that we are providing the highest level of experience, we have had at least one employee of our firm serve on the GFOA – Special Review Committee since the mid-1980s. This committee is made up of selective Certified Public Accountants throughout the United States who have demonstrated their high level of knowledge and expertise in governmental accounting. Each committee member attends a special review meeting at the Annual GFOA Conference. At this meeting, the committee reports on the Certificate of Achievement Program's most recent results, future goals, and common reporting deficiencies.

We feel that our previous experience in assisting the City of Fort Pierce, the Fort Pierce Utilities Authority and St. Lucie County obtain their first CAFRs, and the City of Stuart in continuing to receive a CAFR and our firm's continued involvement with the GFOA, and the CAFR review committee make us a valued asset for any client in the field of governmental financial reporting.

GOVERNMENTAL AUDITING EXPERIENCE (CONTINUED)

References

St. Lucie County, Florida
C.A.F.R./Single Audit/7 Audit Reports
J. W. Gaines, Engagement Director
3,500 approximate hours
Contact: Joseph Smith, Clerk of Circuit
Court
772-462-6938

Children's Services Council of St. Lucie
County
Audited financial statements
J. W. Gaines, Engagement Director
150 approximate hours
Contact: Sean Boyle, Executive Director
772-408-1100

Florida Inland Navigation District
David McGuire, Engagement Director
300 approximate hours
Contact: Glenn Scambler, Finance Director
561-627-3386

In addition to the above, we have the following additional governmental audit experience:

Governmental Organizations

Children's Services Council of St. Lucie
County

St. Lucie County, Florida

Town of Ocean Breeze Park

St. Lucie County Board of County
Commissioners

Clark Advanced Learning Center

St. Lucie County Clerk of Circuit Court

Coquina Water Control District

St. Lucie County Property Appraiser

Education Foundation of Martin County

St. Lucie County Sheriff

Florida Inland Navigation District

St. Lucie County Supervisor of Elections

Fort Pierce Farms Water Control
District

St. Lucie County Tax Collector

Indian River Regional Crime
Laboratory, District 19, Florida

St. Lucie Education Foundation

Office of the Medical Examiner,
District 19

Troup Indiantown Water
Control District

Rupert J. Smith Law Library
of St. Lucie County

WQCS, Indian River State College

GOVERNMENTAL AUDITING EXPERIENCE (CONTINUED)

Community Development Districts

Aberdeen Community Development District	Eagle Pointe Community Development District
Amelia Concourse Community Development District	Eastlake Oaks Community Development District
Anthem Park Community Development District	Easton Park Community Development District
Arborwood Community Development District	Estancia at Wiregrass Community Development District
Bannon Lakes Community Development District	Florida Inland Navigation District
Beacon Lakes Community Development District	Forest Brooke Community Development District
Boggy Creek Community Development District	Gateway Services Community Development District
Capron Trail Community Development District	Golden Lakes Community Development District
Cedar Hammock Community Development District	Greyhawk Landing Community Development District
Celebration Pointe Community Development District	Griffin Lakes Community Development District
Channing Park Community Development District	Habitat Community Development District
Cheval West Community Development District	Heritage Isles Community Development District
Colonial Country Club Community Development District	Heritage Lake Park Community Development District
Deer Run Community Development District	Heritage Palms Community Development District
Diamond Hill Community Development District	Julington Creek Community Development District
Dovera Community Development District	Lake Bernadette Community Development District
Durbin Crossing Community Development District	

GOVERNMENTAL AUDITING EXPERIENCE (CONTINUED)

Community Development Districts (Continued)

Live Oak No 2 Community Development District	Remington Community Development District
Magnolia Park Community Development District	Renaissance Commons Community Development District
Marshall Creek Community Development District	Reserve Community Development District
Meadow Pointe III Community Development District	Reserve at Pradera Community Development District
Meadow Pointe IV Community Development District	Ridgewood Trails Community Development District
Meadow View Community Development District	River Hall Community Development District
Midtown Miami Community Development District	River Place on the St. Lucie Community Development District
Mira Lago West Community Development District	Riverwood Community Development District
Myrtle Creek Community Development District	Rolling Hills Community Development District
Narcoossee Community Development District	Sampson Creek Community Development District
New Port Tampa Bay Community Development District	Seminole Improvement District
Overoaks Community Development District	Solterra Resort Community Development District
Panther Trace II Community Development District	South Fork Community Development District
Pine Island Community Development District	South Village Community Development District
Pine Ridge Community Development District	Southern Hills Plantation I Community Development District
Port of the Islands Community Development District	St. John's Forest Community Development District

GOVERNMENTAL AUDITING EXPERIENCE (CONTINUED)

Community Development Districts (Continued)

Stoneybrook West Community Development District	Verandahs Community Development District
Tern Bay Community Development District	Villages of Bloomingdale Community Development District
Terracina Community Development District	Westside Community Development District
The Crossings at Fleming Community Development District	Willow Creek Community Development District
Valencia Acres Community Development District	Winston Trails Community Development District

Current or Recent Audits in Accordance with OMB Circular A-133,

Early Learning Coalition of St. Lucie County, Inc.	St. Lucie County, Florida
Solar Energy and Loan Fun	Treasure Coast Food Bank

Members of our audit team have acquired extensive experience from performing or participating in over 1,500 audits of governments, independent special taxing districts, school boards, and other agencies that receive public money and utilize fund accounting.

Much of our firm's auditing experience is with compliance auditing, which is required for publicly financed agencies. In this type of audit, we do a financial examination and also confirm compliance with various statutory and regulatory guidelines.

Following is a summary of our other experience, including Auditor General experience, as it pertains to other governmental and fund accounting audits.

Counties

(Includes elected constitutional officers, utilities and dependent taxing districts)

Indian River
Martin
Okeechobee
Palm Beach

Municipalities

City of Port St. Lucie
City of Vero Beach
Town of Orchid

GOVERNMENTAL AUDITING EXPERIENCE (CONTINUED)

Special Districts

Lakewood Ranch Community Development District
Martin Soil and Water Conservation District
St. Lucie County – Fort Pierce Fire District
The Crossings at Fleming Island
St. Lucie West Services District
Indian River County Mosquito Control District
St. John's Water Control District
Westchase and Westchase East Community Development Districts
Pier Park Community Development District

Schools and Colleges

Federal Student Aid Programs – Indian River Community College
Indian River Community College
Okeechobee County District School Board
St. Lucie County District School Board
St. Lucie County District School Board, Internal Accounts

State and County Agencies

Central Florida Foreign-Trade Zone, Inc. (a nonprofit organization affiliated with the St. Lucie
County Board of County Commissioners)
Florida School for Boys at Okeechobee
Indian River Community College Crime Laboratory
Indian River Correctional Institution

SCOPE OF WORK TO BE PERFORMED

If selected as the City's auditors, we will perform a financial and compliance audit in accordance with Section 218.39, Florida Statutes, in order to express an opinion on an annual basis on the financial statements of the City of Fort Pierce, Florida as of September 30, 2016, 2017 and 2018, with two one year options available after that. The audit will be performed to the extent necessary to express an opinion on the governmental activities, business type activities, each of the major funds, the aggregate remaining fund information and the aggregate discretely presented component units. We will also express an opinion on the fair presentation of combining and individual fund financial statements and schedules inconformity with generally accepted accounting principles. We will also perform certain limited procedures relative to any required supplementary information required by generally accepted governmental accounting principles. We will also provide an "in-relation-to" report for the Schedule of expenditures of federal awards and state projects.

Our audit will be performed in accordance with standards for financial and compliance audits contained in *Government Auditing Standards*, as well as in compliance with U. S. Governmental Accountability Office's "Government Auditing Standards", the provisions of auditing standards generally accepted in the United States of America; "Government Auditing Standards" issued by the Comptroller General of the United States; the provisions of the Single Audit Act, Subpart F of Title 2 US Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. OMB Circular A-133, with rules and regulations of audits of governmental entities as set forth by the State Auditor General in Chapter 10.550, Local Governmental Entity Audits.

The primary purpose of our audit will be to express an opinion on the financial statements discussed above. It should be noted that such audits are subject to the inherent risk that errors or irregularities may not be detected. However, if conditions are discovered which lead to the belief that material errors, defalcations or other irregularities may exist or if other circumstances are encountered that require extended services, we will promptly notify the appropriate individual.

As the result of the audit of the financial statements, we will issue the following reports.

1. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles in the United States of America. We will also discuss the limited procedures applied to required supplementary information and we will discuss the other information included in your Comprehensive Annual Financial Report. The budgetary comparison schedules, individual and combining financial statements and the schedule of federal awards and state projects will also be included in our report and we will express an opinion on them in relation to the basic financial statements as a whole.
2. 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.
3. A report on compliance for each major federal program and state project and a report on internal control over compliance.
4. A schedule of findings and questioned costs, federal awards and state projects.

SCOPE OF WORK TO BE PERFORMED (CONTINUED)

5. The management letter required by the Rules of the Auditor General, State of Florida, which among other items will include any significant deficiency, material weakness or other control deficiency noted.
6. The Attestation Report on Compliance with Section 218.415, Florida Statutes.
7. Report on Bond Compliance.
8. We will also promptly notify in writing the City Manager and Finance Director or the Utilities Authority Director and Finance Director of all irregularities and illegal acts.

Notes?

Commitment to Quality Service

Personnel Qualifications and Experience

J. W. Gaines, CPA

Director – 37 years

Education

- ◆ Stetson University, B.B.A. – Accounting

Registrations

- ◆ Certified Public Accountant – State of Florida, State Board of Accountancy

Professional Affiliations/Community Service

- ◆ Member of the American and Florida Institutes of Certified Public Accountants
- ◆ Affiliate member Government Finance Officers Association
- ◆ Past President, Vice President-Campaign Chairman, Vice President and Board Member of United Way of St. Lucie County, 1989 - 1994
- ◆ Past President, President Elect, Secretary and Treasurer of the Treasure Coast Chapter of the Florida Institute of Certified Public Accountants, 1988 - 1991
- ◆ Past President of Ft. Pierce Kiwanis Club, 1994 - 95, Member/Board Member since 1982
- ◆ Past President, Vice President and Treasurer of St. Lucie County Chapter of the American Cancer Society, 1980 -1986
- ◆ Member of the St. Lucie County Chamber of Commerce, Member Board of Directors, Treasurer, September 2002 - 2006, Chairman Elect 2007, Chairman 2008, Past Chairman 2009
- ◆ Member Lawnwood Regional Medical Center Board of Trustees, 2000 – 2002, Vice Chairman, 2002 - 2013, Chairman, 20014 - Present
- ◆ Member of St. Lucie County Citizens Budget Committee, 2001 – 2002
- ◆ Chairman, Ft. Pierce Citizens Budget Advisory Committee, 2011 – 2012

Professional Experience

- ◆ Miles Grant Development/Country Club – Stuart, Florida, July 1975 – October 1976
- ◆ State Auditor General's Office – Public Accounts Auditor – November 1976 through September 1979
- ◆ Director - Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants PL, responsible for numerous government and nonprofit audits.
- ◆ Over 30 years experience in all phases of public accounting and auditing experience, with a concentration in financial and compliance audits. Mr. Gaines has been involved in all phases of the audits listed on the preceding pages.

Commitment to Quality Service

Personnel Qualifications and Experience

J. W. Gaines, CPA (Continued)

Director

Continuing Professional Education

- ◆ Has participated in numerous continuing professional education courses provided by nationally recognized sponsors over the last two years to keep abreast of the latest developments in accounting and auditing such as:
 - Governmental Accounting Report and Audit Update, Texas Tech University
 - Analytical Procedures, FICPA
 - Annual Update for Accountants and Auditors
 - Single Audit Sampling and Other Considerations

Commitment to Quality Service

Personnel Qualifications and Experience

David S. McGuire, CPA

Accounting and Audit Principal – 7 years
Accounting and Audit Manager – 5 years
Staff Accountant – 11 years

Education

- ◆ University of Central Florida, B.A. – Accounting
- ◆ Barry University – Master of Professional Accountancy

Registrations

- ◆ Certified Public Accountant – State of Florida, State Board of Accountancy

Professional Affiliations/Community Service

- ◆ Member of the American and Florida Institutes of Certified Public Accountants
- ◆ Associate Member, Florida Government Finance Office Associates
- ◆ Assistant Coach – St. Lucie County Youth Football Organization – Buccaneers (1994 – 2005)
- ◆ Assistant Coach – Greater Port St. Lucie Football League, Inc. (2006 – 2010)
- ◆ Board Member – Greater Port St. Lucie Football League, Inc.
- ◆ Treasurer, AIDS Research and Treatment Center of the Treasure Coast, Inc. (2000 – 2003)
- ◆ Board Member/Treasurer, North Treasure Coast Chapter, American Red Cross (2004 – 2010)
- ◆ Member/Board Member of Port St. Lucie Kiwanis (1994 – 2001)
- ◆ Member/Board Member of Sunrise Kiwanis of Fort Pierce (2004 – present)

Professional Experience

- ◆ Eighteen years public accounting experience with an emphasis on nonprofit and governmental organizations.
- ◆ Audit Manager in-charge on a variety of audit and review engagements within several industries, including the following government and nonprofit organizations:
 - St. Lucie County, Florida
 - 19th Circuit Office of Medical Examiner
 - Troup Indiantown Water Control District
 - Exchange Club Center for the Prevention of Child Abuse, Inc.
 - Healthy Kids of St. Lucie County
 - Mustard Seed Ministries of Ft. Pierce, Inc.
 - Reaching Our Community Kids, Inc.
 - Reaching Our Community Kids - South
 - St. Lucie County Education Foundation, Inc.
 - Treasure Coast Food Bank, Inc.
 - North Springs Improvement District
- ◆ Four years of service in the United States Air Force in computer operations, with a top secret (SCI/SBI) security clearance.

Commitment to Quality Service

Personnel Qualifications and Experience

David S. McGuire, CPA (Continued)

Accounting and Audit Manager

Continuing Professional Education

- ◆ Mr. McGuire has attended numerous continuing professional education courses and seminars taught by nationally recognized sponsors in the accounting auditing and single audit compliance areas. He has attended courses over the last two years in those areas as follows:

- Not-for-Profit Auditing Financial Results and Compliance Requirements
- Update: Government Accounting Reporting and Auditing
- Annual Update for Accountants and Auditors

Commitment to Quality Service

Personnel Qualifications and Experience

David F. Haughton, CPA

Accounting and Audit Manager – 17 years

Education

- ◆ Stetson University, B.B.A. – Accounting

Registrations

- ◆ Certified Public Accountant – State of Florida, State Board of Accountancy

Professional Affiliations/Community Service

- ◆ Member of the American and Florida Institutes of Certified Public Accountants
- ◆ Former Member of Florida Institute of Certified Public Accountants Committee on State and Local Government
- ◆ Affiliate Member Government Finance Officers Association (GFOA) for over 10 years
- ◆ Affiliate Member Florida Government Finance Officers Association (FGFOA) for over 10 years
- ◆ Technical Review – 1997 FICPA Course on State and Local Governments in Florida
- ◆ Board of Directors – Kiwanis of Ft. Pierce, Treasurer – 1994-1999; Vice President – 1999-2001

Professional Experience

- ◆ Twenty-seven years public accounting experience with an emphasis on governmental and nonprofit organizations.
- ◆ State Auditor General's Office – West Palm Beach, Staff Auditor, June 1985 to September 1985
- ◆ Accounting and Audit Manager of Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants PL, responsible for audit and accounting services including governmental and not-for-profit audits.
- ◆ Over 20 years of public accounting and governmental experience, specializing in governmental and nonprofit organizations with concentration in special districts, including Community Development Districts which provide services including water and sewer utilities. Governmental and non-profit entities served include the following:

Counties:

St. Lucie County

Municipalities:

City of Fort Pierce

City of Stuart

Commitment to Quality Service

Personnel Qualifications and Experience

David F. Haughton, CPA (Continued)

Accounting and Audit Manager

Professional Experience (Continued)

Special Districts:

Bluewaters Community Development District
Country Club of Mount Dora Community Development District
Fiddler's Creek Community Development District #1 and #2
Indigo Community Development District
North Springs Improvement District
Renaissance Commons Community Development District
St. Lucie West Services District
Stoneybrook Community Development District
Summerville Community Development District
Terracina Community Development District
Thousand Oaks Community Development District
Tree Island Estates Community Development District
Valencia Acres Community Development District

Non-Profits:

The Dunbar Center, Inc.
Hibiscus Children's Foundation, Inc.
Hope Rural School, Inc.
Maritime and Yachting Museum of Florida, Inc.
Tykes and Teens, Inc.
United Way of Martin County, Inc.
Workforce Development Board of the Treasure Coast, Inc.

- ◆ While with the Auditor General's Office he was on the staff for the state audits of the Martin County School District and Okeechobee County School District.
- ◆ During 1997 he performed a technical review of the Florida Institute of Certified Public Accountants state CPE course on Audits of State and Local Governments in Florida. His comments were well received by the author and were utilized in future updates to the course.

Continuing Professional Education

- ◆ During the past several years, he has participated in numerous professional development training programs sponsored by the AICPA and FICPA, including state conferences on special districts and governmental auditing in Florida. He averages in excess of 100 hours bi-annually of advanced training which exceeds the 80 hours required in accordance with the continuing professional education requirements of the Florida State Board of accountancy and the AICPA Private Companies Practice Section. He has over 75 hours of governmental CPE credit within the past two years.

Commitment to Quality Service

Personnel Qualifications and Experience

Rhonda Wigglesworth, CPA
Senior Accountant – 13 years

Education

- ◆ Florida Atlantic University, B.S. – Accounting , B. S. – Business Management

Registrations

- ◆ Certified Public Accountant – State of Florida, State Board of Accountancy
- ◆ Certified General Contractor

Professional Affiliations/Community Service

- ◆ Florida Institute of Certified Public Accountants
- ◆ American Institute of Certified Public Accountants
- ◆ Treasure Coast Builders Association
- ◆ Royal Palms of St. Lucie
- ◆ Member Sunrise Kiwanis of Fort Pierce

Professional Experience

- ◆ Thirteen years public accounting experience specializing in nonprofit and governmental organizations.
- ◆ Five years private accounting experience in for profit construction company.
- ◆ Performed audits of nonprofit and governmental organizations in accordance with Governmental Accounting Auditing Standards (GAAS).
- ◆ Performed Single Audits of nonprofit organizations in accordance with OMB Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*.
- ◆ Conducted audits, reviews, and compilations of private entities and closely held corporations in accordance with Generally Accepted Accounting Principles (GAAP).
- ◆ Managed audit staff overseeing all planning, fieldwork and financial statement preparation of nonprofit, governmental and private entities.

Continuing Professional Education

Ms. Wigglesworth has participated in numerous continuing professional education courses provided by nationally recognized sponsors to keep abreast of the latest developments.

Commitment to Quality Service

Personnel Qualifications and Experience

Rubiela Mendieta, CPA
Staff Accountant – 20 years

Education

- ◆ University of Miami, MBA with concentration in Accounting and International Business
- ◆ University of Bridgeport – BS – Accounting
- ◆ Panama Canal College – AS Accounting and Business

Registrations

- ◆ Certified Public Accountant – State of Florida, State Board of Accountancy
- ◆ Certified Public Accountant – State of NY – New York University
- ◆ Certified Public Accountant – Republic of Panama
- ◆ Certified Fraud Examiner – Association of Certified Fraud Examiner
- ◆ Florida Notary

Professional Affiliations/Community Service

- ◆ Florida Institute of Certified Public Accountants
- ◆ American Institute of Certified Public Accountants
- ◆ Association of Certified Fraud Examiners
- ◆ Institute of Internal Auditors
- ◆ Government Finance Officers Association

Professional Experience

- ◆ Twenty years of public and private accounting and auditing experience specializing in various industries and organizations (public, private nonprofit and governmental).
- ◆ Conducted audits of public and private corporations in accordance with Generally Accepted Accounting Principles (GAAP) and Generally Accepted Auditing Standards (GAAS).
- ◆ Conducted audits of Federal Entities in accordance with Generally Accepted Governmental Auditing Standards (Yellow Book).
- ◆ Conducted audits, reviews, and compilations of HOA's, Condominiums and other in accordance with Florida Common Interest Realty Association (CIRA) and GAAP.
- ◆ Conducted Compliance and Operation Internal Audits of Federal Government Branch (Panama Canal Commission and local cities).
- ◆ Managed audit staff, overseeing planning, fieldwork and financial statements preparation of private and public entities.

Continuing Professional Education

Ms. Mendieta has participated in numerous continuing professional education courses provided by nationally recognized sponsors to keep abreast of the latest developments.

Commitment to Quality Service

Personnel Qualifications and Experience

Paul Daly
Staff Accountant

Education

- ◆ Florida Atlantic University, B.S. –Accounting

Professional Experience

- Staff Accountant with Berger, Toombs, Elam, Gaines, & Frank providing professional services to nonprofit and governmental entities.

Continuing Professional Education

- Working to attain the requirements to take the Certified Public Accounting (CPA) exam.

Commitment to Quality Service

Personnel Qualifications and Experience

Melissa Arnold
Staff Accountant

Education

- ◆ Indian River State College, A.A. – Accounting
- ◆ Florida Atlantic University, B.B.A. –Accounting

Professional Experience

- Accounting graduate beginning her professional career with Berger, Toombs, Elam, Gaines, & Frank providing professional services to nonprofit and governmental entities.

Continuing Professional Education

- Ms. Arnold participates in numerous continuing professional education courses provided by nationally recognized sponsors to keep abreast of the latest developments.

Commitment to Quality Service

Personnel Qualifications and Experience

W. Michael Lofley

Staff Accountant

Education

- ◆ Florida Atlantic University, B.B.A. - Accounting

Professional Experience

- Staff Accountant beginning his professional auditing career with Berger, Toombs, Elam, Gaines, & Frank.
- Mr. Lofley previously worked as a Staff Accountant in private companies.

Continuing Professional Education

- Mr. Lofley participates in numerous continuing education courses and plans on acquiring his CPA.

Commitment to Quality Service

Personnel Qualifications and Experience

Maritza Ahrens
Staff Accountant

Education

- ◆ Indian River State College, B.S.A. - Accounting

Professional Experience

- Staff Accountant beginning her professional auditing career with Berger, Toombs, Elam, Gaines, & Frank.

Continuing Professional Education

- Ms. Ahrens participates in numerous continuing education courses and plans on acquiring her CPA.

Commitment to Quality Service

Personnel Qualifications and Experience

Jonathan Herman
Staff Accountant

Education

- ◆ University of Central Florida, B.S. –Accounting
- ◆ Florida Atlantic University, MACC

◆ **Professional Experience**

- Accounting graduate with two and a half years experience with Berger, Toombs, Elam, Gaines, & Frank providing professional services to nonprofit and governmental entities.

Continuing Professional Education

- Preparing to take the Certified Public Accounting (CPA) exam.

SPECIFIC AUDIT APPROACH

We utilize proprietary audit program software developed by a nationally recognized CPA firm. Our audit approach is a risk based audit approach where we determine significant accounts and assess risk and then we concentrate our audit on the areas identified.

We would analyze significant accounts and assess risk independently for the City of Fort Pierce and the Fort Pierce Utilities Authority.

We would utilize the prior audit report to preliminarily identify the significant accounts.

We would also utilize the internal control, engagement planning questionnaires developed for our audit program to design our audit programs. Our audit programs have the following general segmentation:

<ul style="list-style-type: none"> • Financial Reports • 200 hours • Audit Director/In charge staff accountant 	In this section, we prepare our working trial balances for each fund and assimilate the financial statements and various reports required.
<ul style="list-style-type: none"> • Engagement Planning • 200 hours • Audit Director/In charge staff accountant 	This is the section where we identify significant accounts, assess risk, analyze and obtain an understanding of your internal control and develop audit programs.
<ul style="list-style-type: none"> • Engagement Administration • 35 hours • In charge accountant/ Staff accountants 	In this section, we develop and track our audit plan hours and document our review of your minutes.
<ul style="list-style-type: none"> • Audit Field Work • 750 hours • In charge accountant/ Staff accountants 	In this section, we develop and audit specific areas such as assets, liabilities, revenues, expenses/expenditures and your budget. This is the area where we also analyze the internal controls over federal and state grants and do our testing of your federal grants and state awards.
<ul style="list-style-type: none"> • Closing the audit • 80 hours • Audit director/Principal • In charge accountant 	In this area, all workpapers are reviewed, the financial statements are prepared/reviewed and we perform a disclosure checklist.

We utilize certain audit programs to determine our sample sizes which are randomly generated and the size is determined based on the parameters entered for the area tested. Most of our testing is non-statistical sampling.

We utilize various software programs during the audit process, including data extraction software.

SPECIFIC AUDIT APPROACH – (Continued)

We utilize various analytical procedures during the entire audit process to reduce testing, maintain audit efficiencies and analyze audit testing results.

We utilize internal control questionnaires to understand and document the City's internal controls. Generally, these questionnaires deal with cycles such as revenues, capital assets and expenses/expenditures.

We have a working knowledge of the various Florida Statutes that impact the financial statements and will have to update our permanent file for any new ordinances that have been passed since 2004 that will affect the audit.

Anticipated Potential Audit Problems

The most significant potential audit problem we see for 2016 is the reporting requirements of GASB 68 for your pension plan. The pronouncement has significantly changed how pension plans are reported by governmental entities and have very technical reporting requirements that must be complied with.

Baggett, Reutimann & Associates, CPAs PA

Certified Public Accountants

Judson B. Baggett, MBA, CPA, CVA, Partner
Marci Reutimann, CPA, Partner

6815 Dairy Road
Zephyrhills, FL 33542
Phone: (813) 788-2155
Fax: (813) 782-8606

System Review Report

To the Partners

October 31, 2013

Berger, Toombs, Elam, Gaines & Frank, CPAs PL

and the Peer Review Committee of the Florida Institute of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Berger, Toombs, Elam, Gaines & Frank, CPAs PL, (the firm), in effect for the year ended May 31, 2013. 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. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control, and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

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

In our opinion, the system of quality control for the accounting and auditing practice of Berger, Toombs, Elam, Gaines & Frank, CPAs PL, in effect for the year ended May 31, 2013, 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*. Berger, Toombs, Elam, Gaines & Frank, CPAs PL, has received a peer review rating of *pass*.


Baggett, Reutimann & Associates, CPAs,

(BERGER_REPORT)



Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

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REPORT OF INDEPENDENT AUDITORS

Governmental Entity

Report on the Financial Statements

We have audited the accompanying basic financial statements of the Governmental Entity as of and for the year ended September 30, 20XX, 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 an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 opinion.

Governmental Entity

Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the aggregate remaining fund information and each major fund of the Governmental Entity as of September 30, 20XX, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Governmental accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by *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 in accordance with governmental auditing standards generally accepted in the United States of America, which consisted principally of inquiries of management regarding 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.

In accordance with *Government Auditing Standards*, we have also issued a report dated _____ on our consideration of the Governmental Entity's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts.

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 Governmental Entity's internal control over financial reporting and compliance.

Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida



Berger, Toombs, Elam,
Gaines & Frank

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**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**

Governmental Entity

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 Governmental Entity, as of and for the year ended September 30, 20xx, and the related notes to the financial statements, and have issued our report thereon dated _____.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Governmental Entity's internal control over financial reporting 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 Governmental Entity's internal control. Accordingly, we do not express an opinion on the effectiveness of Governmental Entity's internal control over financial reporting.

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

Governmental Entity

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Governmental Entity'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.

Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants
Fort Pierce, Florida



Berger, Toombs, Elam, Gaines & Frank

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MANAGEMENT LETTER

Governmental Entity

Report on the Financial Statements

We have audited the financial statements of the Governmental Entity as of and for the year ended September 30, 20xx, and have issued our report thereon dated _____.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.550, Rules of the Florida 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* and our Independent Auditor's Report on an examination conducted in accordance with AICPA Professionals Standards, Section 601 regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in that report, which is dated _____, 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 address in the Management Letter, if not already addressed in the auditor's report on compliance and internal controls, whether or not recommendations made in the preceding annual financial report have been followed. There were no recommendations made in the preceding audit report.

Financial Condition

Section 10.554(1)(i)5.a., Rules of the Auditor General, requires that we report the results of our determination as to whether or not the Governmental Entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific conditions met. In connection with our audit, we determined that the Governmental Entity did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Governmental Entity

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

Annual Financial Report

Section 10.554(1)(i)5.b., Rules of the Auditor General, requires that we report the results of our determination as to whether the annual financial report for the Governmental Entity for the fiscal year ended September 30, 2015, 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, 20xx. In connection with our audit, we determined that these two reports were in agreement.

Other Matters

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

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address 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 Board of Supervisors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida



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**INDEPENDENT ACCOUNTANT'S REPORT/COMPLIANCE
WITH SECTION 218.415, FLORIDA STATUTES**

Governmental Entity

We have examined the Governmental Entity's compliance with Section 218.415, Florida Statutes during the year ended September 30, 20xx. Management is responsible for the Governmental Entity's compliance with those requirements. Our responsibility is to express an opinion on the Governmental Entity's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Governmental Entity's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Governmental Entity's compliance with the specified requirements.

In our opinion, the Governmental Entity complied, in all material respects, with the aforementioned requirements during the year ended September 30, 20xx.

Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

Schedule of Findings and Questioned Cost –
Federal Programs and State Projects
September 30, 2015

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued	Unqualified	
Internal control over financial reporting:		
Material weakness(es) identified?	_____ Yes	_____ No
Significant deficiency(ies) identified not considered to be material weakness(es)?	_____ Yes	_____ None Reported
Noncompliance material to financial statements noted?	_____ Yes	_____ No

Federal Programs and State Projects

Internal control over major program/project:		
Material weakness(es) identified?	_____ Yes	_____ No
Significant deficiency(ies) identified not considered to be material weakness(es)?	_____ Yes	_____ None Reported
Type of auditor’s report issued on compliance for major federal programs and state projects	Unqualified	
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133 or Chapter 10.550?	_____ Yes	_____ No

Identification of major programs/projects:

CFDA	
<u>Number</u>	<u>Name of Federal Program or Cluster</u>

CSFA	
<u>Number</u>	<u>Name of State Projects or Cluster</u>

Dollar threshold used to distinguish between Type A and B Federal programs	\$
Dollar threshold used to distinguish between Type A and B State programs	\$

Auditee qualifies as low-risk audit?	_____ Yes	_____ No
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Schedule of Findings and Questioned Cost –
Federal Programs and State Projects (Continued)
September 30, 2015

Section II – Financial Statement Findings

There were no material weaknesses, significant deficiencies or instances of noncompliance related to the financial statements.

Section III – Federal Programs Findings and Questioned Cost

There were no audit findings related to federal programs required to be reported by Circular A-133, Section 510(A).

Section IV – State Projects Findings and Questioned Cost

There were no audit findings related to state projects required to be reported by Chapter 10.550, Rules of the Auditor General.



Berger, Toombs, Elam,
Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue
Suite 200
Fort Pierce, Florida 34950

772/461-6120 // 461-1155
FAX: 772/468-9278

Report of Independent Certified Public Accountants On Bond Compliance

Governmental Entity

We have audited the financial statements of the Governmental Entity as of and for the year ended September 30, 20xx, and have issued our report thereon dated _____.

We conducted our audit in accordance with auditing standards and *Government Auditing Standards* generally accepted in the United States of America 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 of material misstatement.

In connection with our audit, nothing came to our attention to indicate that the Governmental Entity had not complied with the bond covenants of each outstanding debt series (listed in detail).

Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

Dated _____



July 5, 2016

ADDENDUM NO. 1

PROFESSIONAL AUDITING SERVICES

RFP NO. 2016-028

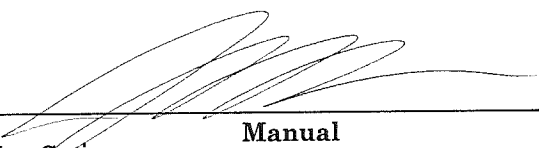
The purpose of this addendum is to provide modifications and clarifications to the specification as follows:

1. Question: What were the audit fees for each of the last three fiscal years?
Response: FY 15 combined audit fees \$105,559 (noted on page 12 of RFP)
FY 14 combined audit fee \$102,455
FY 13 combined audit fee \$99,000
2. Question: Are the current auditors allowed to respond to the RFP?
Response: Yes, any qualified certified public accounting firm may respond to the RFP.
3. Question: How long has the current auditor been performing this audit?
Response: **As noted on page 12 of the RFP, the current audit firm has been providing audit services for the city since FY 2005.**
4. Question: In fiscal year 2015, were there any additional services provided by the current auditors? If so, what were they and what were the fees?
Response: In fiscal year 2015, the current auditors provided additional services regarding an agreed upon services procedures report related to the VCTC application. The fee for those services were \$2,400.
5. Question: Does the City expect to meet the requirements for a Federal Single Audit in 2016?
Response: Yes, the City expects to meet the requirements for a Federal Single Audit in FY 2016.
6. Question: Does the City expect to meet the requirements for a Florida Single Audit in 2016?
Response: Yes, the City expects to meet the requirements for a Florida Single Audit in FY 2016.
7. Question: Are there any material current events that will affect the City during the 9/30/16 fiscal year (lawsuits, debt issuances, changing software, new programs, loss/gain of major funding source...)?
Response: The City defeased/refunded 6 bond series during FY 2016. Because the fiscal year is not over, at this time we do not have enough information to determine if there are material events which could affect the City.

8. Question: Who will be the members of the audit selection committee?
Response: A listing of the audit selection committee roles is included on page 27 of the RFP.
9. Question: The RFP mentions a Drug Free WP form (Pg 4; Sec 17.); however there was not one included.
Response: Drug Free Workplace form was inadvertently omitted, please see attached.
10. Question: Also, on Page 4, Section 18 it states to contact the purchasing dept. if we are a MWBD; we are. Is there something additional we need to do?
Response: Please provide proof that you are certify as a MWBD with your submission

All other conditions of this bid remain the same.

Please acknowledge receipt of this addendum and include it with your submittal.

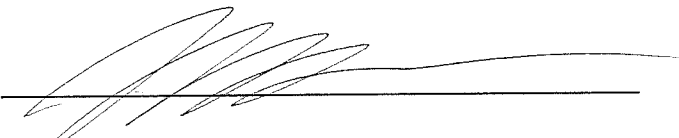
Signature:  _____
 Signature: J.W. Gaines **Manual**
 Company Name: Berger, Toombs, Elam, Gaines & Frank **Typed or Printed**
 Address: 600 Citrus Ave, Ste 200
Fort Pierce, FL 34950
 Date: July 18, 2016

/gc

APPENDIX "C"

PROPOSER GUARANTEES

- I. The proposer certifies it can and will provide and make available, as a minimum, all services set forth in Section II, Nature of Services Required.

Signature of Official: 

Name (typed): J. W. Gaines

Title: Member

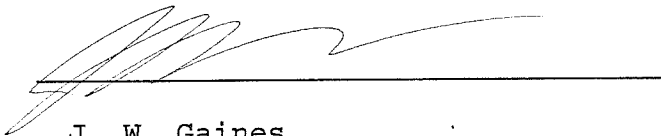
Firm: Berger, Toombs, Elam, Gaines & Frank

Date: July 18, 2016

APPENDIX "D"

PROPOSER WARRANTIES

- A. Proposer warrants that it is willing and able to comply with State of Florida laws with respect to foreign (non-state of Florida) corporations.
- B. Proposer warrants that it is willing and able to obtain an errors and omissions insurance policy providing a prudent amount of coverage for the willful or negligent acts, or omissions of any officers, employees or agents thereof.
- C. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the prior written permission of the City of Fort Pierce.
- D. Proposer warrants that all information provided by it in connection with this proposal is true and accurate.

Signature of Official: 

Name (typed): J. W. Gaines

Title: Member

Firm: Berger, Toombs, Elam, Gaines & Frank

Date: July 18, 2016

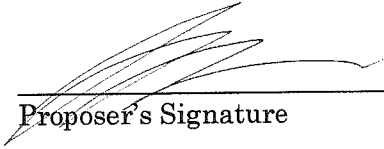


DRUG FREE WORKPLACE FORM

The undersigned vendor in accordance with Florida Statute 287.087 hereby certified that
Berger, Toombs, Elam, Gaines & Frank does:
(Name of Business)

1. Publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violations of such prohibition.
2. Inform employees about the dangers of drug abuse in the workplace, the business's policy of maintaining a drug-free workplace, any available drug counseling, rehabilitation, and employee assistance programs, and the penalties that may be imposed upon employees for drug abuse violations.
3. Give each employee engaged in providing the commodities or contractual services that are proposed a copy of the statement specified in subsection (1).
4. In the statement specified in subsection (1), notify the employees that, as a condition of working on the commodities or contractual services that are under bid, the employee will abide by the terms of the statement and will notify the employer of any conviction of, or plea of guilty or nolo contendere to, any violation of Chapter 893 or of any controlled substance law of the United States or any state, for a violation occurring in the workplace no later than five (5) days after such conviction.
5. Impose a sanction on, or require the satisfactory participation in a drug abuse assistance or rehabilitation program if such is available in the employee's community, by any employee who is so convicted.
6. Make a good faith effort to continue to maintain a drug-free workplace through implementation of this section.

As the person authorized to sign the statement, I certify that this firm complies fully with the above requirements.



Proposer's Signature

7/9/16

Date


CITY OF FORT PIERCE PROPOSAL CHECKLIST

This checklist is provided to assist each Proposer in the preparation of their proposal response. Included in this checklist are important requirements, which is the responsibility of each Proposer to submit with their response in order to make their response fully compliant. This checklist is only a guideline~ it is the responsibility of each Proposer to read and comply with the Request for Proposal in its entirety.

Check "Yes" or "No" to each of the following:

	YES	NO
Is Request for Proposal cover page (page 1) completed, signed and attached?	<u> X </u>	<u> </u>
Is your firm's qualifications and experience as stated in proposal documents ?	<u> </u> X	<u> </u>
Is the sealed dollar cost bid information included as stated in proposal documents (pages 25-26)?	<u> </u> X	<u> </u>
Is each item included as stated in the Submission of Proposal section (page 20-21)?	<u> </u> X	<u> </u>
Proposal envelope is marked accordingly.	<u> </u> X	<u> </u>
Are seven (7) complete proposal packages included (one original and six copies)?	<u> </u> X	<u> </u>
Is each Addendum (when issued) signed and included?	<u> </u> X	<u> </u>

PLEASE SIGN AND RETURN WITH PROPOSAL  _____

DELIVER TO: City of Fort Pierce 100 North U.S. #1 Fort Pierce, FL 34950 MAIL TO: City of Fort Pierce Procurement Dept. P.O. Box 1480 Fort Pierce, FL 34954-1480	REQUEST FOR PROPOSALS and PROPOSAL ACKNOWLEDGMENT
Contact: Gelencia Carter, (772) 467-3748	RFP No: 2016-028
Pre-Proposal Conference Date: N/A	RFP Title: PROFESSIONAL AUDITING SERVICES
Pre-Proposal Location: N/A	RFP Opening Location: City of Ft. Pierce Procurement Dept. 100 North U.S. #1, 1st Floor Ft. Pierce, Florida 34950
RFP Due Date & Time: 3:00 PM, MONDAY, JULY 18, 2016	If you need any reasonable accommodation for any type of disability in order to participate in this procurement, please contact this department as soon as possible.
Proposer Name: Berger, Toombs, Elam, Gaines & Frank Mailing Address: 600 Citrus Ave, Ste 200 ----- ----- -----	I hereby certify that this bid is made without prior understanding, agreement, or connection with any corporation, firm, or person submitting a bid for the same materials, supplies or equipment, and is in all respects fair and without collusion or fraud. I agree to abide by all conditions of this bid and certify that I am authorized to sign this bid for the bidder. X  Authorized Signature (Manual) J. W. Gaines
City, State, Zip Code: Fort Pierce, FL 34950	Typed or Printed Name:
Type of Entity (Circle One): Corporation <input type="radio"/> Partnership <input checked="" type="radio"/> Proprietorship	Title: Member
Incorporated in the State of: Florida year 2004	Delivery in _____ days, ARO
Phone Number: 772-461-6120	Payment Terms: Net 30 Days
Fax Number: 772-468-9278	FEIN or SS Number: 20-1277929
E-Mail Address: jgaines@btef-cpas.com	Local Business: <input checked="" type="checkbox"/> Y <input type="checkbox"/> N MWBE: <input type="checkbox"/> Y <input checked="" type="checkbox"/> N
Bid Security is attached, when required, in the amount of \$ _____ F.O.B. DESTINATION	If returning as a "No Bid" state reason:
THIS PAGE MUST BE COMPLETED AND RETURNED WITH YOUR PROPOSAL	