

COPY

**Proposal for Professional
Auditing Services
RFP No: 2016-028**



**For fiscal years ending
September 30, 2016, 2017 and 2018
(with the option of up to two (2),
one (1) year renewals)**



CONTACT & AUTHORIZED REPRESENTATIVE:

**Brian L. Nemeroff, CPA, Partner-In-Charge
8035 Spyglass Hill Road
Melbourne, Florida 32940
(321) 757-2020 phone
(321) 242-4844 fax
Nemeroff@bermanhopkins.com**

July 18, 2016

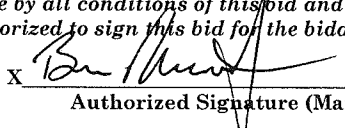
DELIVER TO: City of Fort Pierce 100 North U.S. #1 Fort Pierce, FL 34950 MAIL TO: City of Fort Pierce Procurement Dept. P.O. Box 1480 Fort Pierce, FL 34954-1480	REQUEST FOR PROPOSALS and PROPOSAL ACKNOWLEDGMENT
Contact: Gelencia Carter, (772) 467-3748	RFP No: 2016-028
Pre-Proposal Conference Date: N/A	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: Berman Hopkins Wright & LaHam, CPAs and Associates, LLP Mailing Address: 8035 Spyglass Hill Road ----- ----- -----	<i>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.</i> X  Authorized Signature (Manual)
City, State, Zip Code: Melbourne, FL 32940	Typed or Printed Name: Brian L. Nemeroff, CPA
Type of Entity (Circle One): Corporation <u>Partnership</u> Proprietorship	Title: Partner
Incorporated in the State of: Florida Year: 1958	Delivery in _____ days, ARO
Phone Number: 321-757-2020	Payment Terms: Net 30 Days
Fax Number: 321-242-4844	FEIN or SS Number: 59-1152714
E-Mail Address: nemeroff@bermanhopkins.com	Local Business: <u>X</u> Y <u> </u> N MWBE: <u> </u> Y <u>X</u> 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	

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BERMAN HOPKINS WRIGHT & LAHAM

CPAS AND ASSOCIATES, LLP

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Orlando, FL 32801
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TRANSMITTAL LETTER

July 18, 2016

City of Fort Pierce
Gelencia Carter, Purchasing Manager
Attn: Purchasing Department
100 North US 1
Fort Pierce, FL 34950

RE: PROPOSAL FOR ANNUAL INDEPENDENT AUDIT SERVICES

The partners and employees of Berman Hopkins Wright & LaHam, CPAs and Associates, LLP ("Berman Hopkins") thank you for allowing us to submit our proposal to conduct independent audit services for the City of Fort Pierce (the "City") for fiscal years September 30, 2016, 2017 and 2018 with the option of up to two (2), one (1) year renewals. Our team has the necessary knowledge, ability and resources to successfully perform the quality auditing services requested by the City.

Commitment to Perform Services Timely

We will audit the City's general purpose financial statements to express an opinion on the fair presentation of its basic financial statements in conformity with the accounting principles generally accepted in the United States of America and the financial reporting requirement of Governmental Accounting Standards Board Statements. Once a commitment is made for delivery of services and completion of the engagement, we assume the responsibility to meet those obligations. You will receive the high caliber of professional services you expect and deserve.

Why Should You Select Us as Your Professional Audit Team?

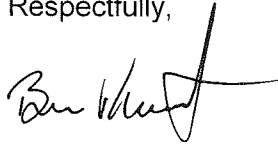
We are a large local firm that has been performing auditing and accounting services since 1958. Our team of professionals remains current and proactive on government key issues, accounting and auditing principles, and governmental rules and regulations. Our comprehensive governmental auditing experience and education is, and will continue to be, outstanding.

Berman Hopkins has the auditing experience to meet your needs. We have a proven technical knowledge of governmental operations of your size. The proposed supervisory team possesses many years of experience with government and grant auditing, accounting, and financial statements. Berman Hopkins has audited numerous local governments over the years and as such is knowledgeable of the type of grants the City receives. We have vast experience with the Federal and Florida Single Audit Acts and the provisions of OMB A-133 and OMB A-87, currently known as, Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards (the "Uniform Guidance"). Berman Hopkins is a member of Government Audit Quality Center of the AICPA, the FICPA State, Governmental Finance Officer Association ("GFOA") and Local Government Committee.

The City of Fort Pierce, Florida will be a valuable client to us. We offer you a team of professionals dedicated to providing outstanding service to the City. We appreciate the opportunity to propose our services to you and welcome the opportunity to make a presentation. If you have any questions, please contact Brian L. Nemeroff, Partner-in-charge, at (321) 757-2020 (phone), (321) 242-4844 (fax), or e-mail nemeroff@bermanhopkins.com, who is able to legally bind this proposal.

We encourage you to visit our website at www.bermanhopkins.com for additional information on our firm. This proposal is a firm and irrevocable offer for a three year period, to provide the services as outlined in the RFP.

Respectfully,

A handwritten signature in black ink, appearing to read "Brian Nemeroff", with a stylized flourish extending to the right.

Brian L. Nemeroff, CPA, Partner
Berman Hopkins Wright & LaHam, CPAs and Associates, LLP

EXPERTISE AND EXPERIENCE

INDEPENDENCE

Berman Hopkins is independent with respect to the City of Fort Pierce as defined by U.S. generally accepted auditing standards and the U.S. General Accounting Office's *Government Auditing Standards*.

Berman Hopkins is independent with respect to all of the component units of the City of Fort Pierce as defined by U.S. generally accepted auditing standards and the U.S. General Accounting Office's *Government Auditing Standards*.

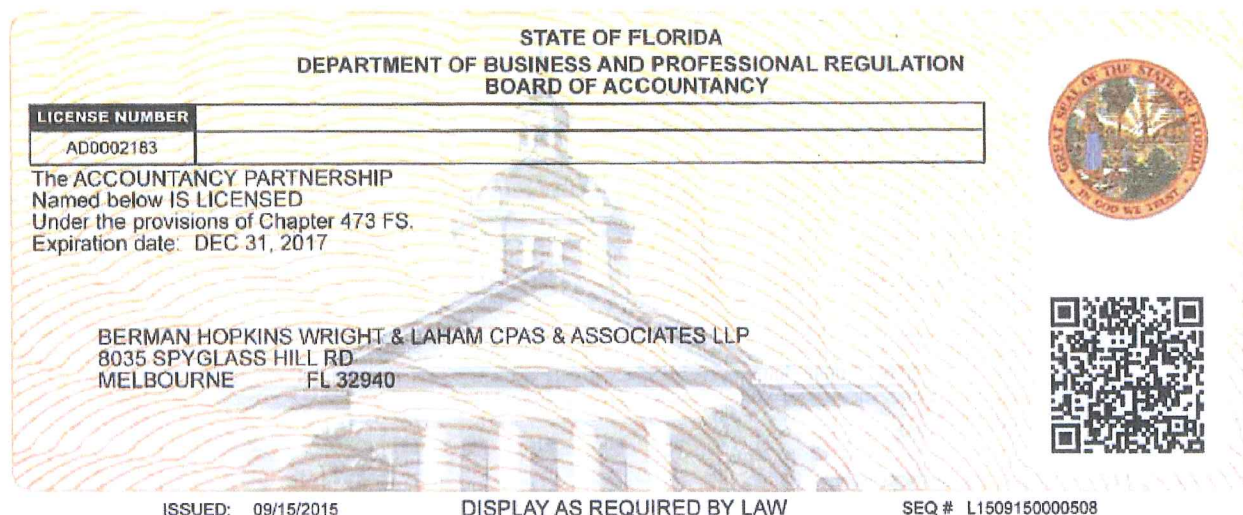
Berman Hopkins has not had any involvement in any professional relationship involving the City of Fort Pierce or its component units for the past five (5) years, that would infringe on our independence and we do not have a conflict of interest relative to performing this engagement.

We will maintain our independence for as long as we are engaged as your auditors. We will notify you in writing immediately upon any knowledge of potential violations of the independence standards.

LICENSE TO PRACTICE IN FLORIDA

We are members in good standing with the American Institute of Certified Public Accountants. The Certified Public Accountants (CPAs) employed at our firm have active individual licenses in the State of Florida issued by the Department of Business and Professional Regulation Board of Accountancy. Our CPAs' licenses expire every two years and vary depending on the year they were first licensed. We maintain a file copy of all active licenses. Our quality control procedures require us to keep this file active by ensuring we receive a copy of all newly issued licenses as soon as they are received. Berman Hopkins and the Partner-in-Charge are properly registered/licensed to practice in the State of Florida.

All of the key professional staff (partner and manager) assigned to this audit engagement are CPAs and have met or exceeded the governmental accounting education requirements for the State of Florida, which maintains one of the strictest CPA education requirements, and are properly licensed to practice in Florida. Below is a copy of our license issued by the State of Florida for Berman Hopkins.



EXPERTISE AND EXPERIENCE

FIRM QUALIFICATIONS AND EXPERIENCE

There are 64 Berman Hopkins staff and professionals who are ready to serve your needs with 9 partners, 11 managers, 4 supervisors, 9 seniors and 31 professional and administrative staff, **of which 13 are governmental experienced personnel**. Resumes of key professionals on the assigned team are included in this proposal, and are full-time staff. We have become one of the largest and most respected CPA firms in Central Florida. The exceptional reputation that we have earned in the community is the result of hard work and our commitment to quality service. The Professional Organizations Chart included in this proposal indicates our team from our significant pool of qualified staff, **that are hired, trained and dedicated to the government group of Berman Hopkins**, that are assigned to your audit. The audit team will be assigned to this engagement on a full-time basis. The partner support team will be assigned on a part-time basis, as needed and based on their respective levels of experience and expertise.

Berman Hopkins is a local registered Limited Liability Partnership and has been doing business as a Certified Public Accounting, Business Consulting, and Profit Advisory firm nationally since 1958. We also service numerous clients throughout the United States. Our staff works out of two offices to service our clients throughout the State of Florida. Our offices are located at 8035 Spyglass Hill Road, Melbourne, FL 32940 and 255 S. Orange Ave. #1545, Orlando, FL 32801. To meet your needs, we have organized a team of our most qualified professionals utilizing our resources from each office, establishing the **Melbourne office** as the location to serve you.

- Fully networked offices enhance the communication with our clients including the latest phone and computer technology serviced by two full-time network administrators.
- Our commitment to service means your call or email will generally be returned in the same business day, if at all possible, and we guarantee a return call within 24 hours.
- We interact with our clients as often as needed, and are available year round to discuss new transactions and any accounting issues.



EXPERTISE AND EXPERIENCE

QUALITY CONTROL AND PEER REVIEW

The work performed by Berman Hopkins is enhanced by our own quality control program and annual monitoring of Berman Hopkins' procedures as specified in our *Quality Control Document*.

Our quality control process insures our Certified Public Accountants (CPAs) and staff accountants meet or exceed the continuing professional education requirements of the Florida Board of Accountancy, the *Government Auditing Standards*, the American Institute of CPAs, and Berman Hopkins' *Quality Control Document*, and is designed to ensure that applicable auditing standards are followed.

We are members of the AICPA's Government Audit Quality Center (GAQC), which require a "Peer Review" by an independent third party every three (3) years. A Peer Review is a review and evaluation of a firm's workpapers, reports and policies by a team of CPAs from other CPA firms. Included in these reviews is a mandatory review of ***Governmental audits performed under the government audit standards and the single audit standards.***

We are in compliance with our Peer Review performed in 2015. The Peer Review letter is on the following page.

EXPERTISE AND EXPERIENCE

QUALITY CONTROL AND PEER REVIEW (continued)



SYSTEM REVIEW REPORT

November 12, 2015

To the Owners
Berman Hopkins Wright & Laham CPAs and Associates, LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Berman Hopkins Wright & Laham CPAs and Associates, LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended June 30, 2015. 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 part of our 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, 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 audits of employee benefit plans, engagements performed under *Government Auditing Standards*, and an examination of a service organization [Service Organization Control (SOC) 2 engagement].

In our opinion the system of quality control for the accounting and auditing practice of Berman Hopkins Wright & Laham CPAs and Associates, LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended June 30, 2015 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*. Berman Hopkins Wright & Laham CPAs and Associates, LLP has received a peer review rating of *pass*.

RW Group, LLC

Kennett Square, Pennsylvania

400 Old Forge Lane
Suite 401
Kennett Square, PA 19348-1914

PrimeGlobal
An Association of
Independent Accounting Firms

Phone: 610-713-0208
Fax: 610-807-0370
www.rwgroupllc.com

EXPERTISE AND EXPERIENCE

STATEMENT OF FEDERAL OR STATE DESK REVIEW OR FIELD REVIEWS

Berman Hopkins has had no federal or state desk reviews or field reviews of our audits during the past three (3) years. No disciplinary action from state regulatory bodies or professional organizations has been taken against the firm during the past three (3) years, nor is any action pending.

STATEMENT OF DISCIPLINARY ACTION/LITIGATION

Currently, there have not been any pending claims, litigation or threatened claims during the last three (3) years of which Berman Hopkins is aware of. We will notify you immediately in writing upon any knowledge of disciplinary action taken or pending.

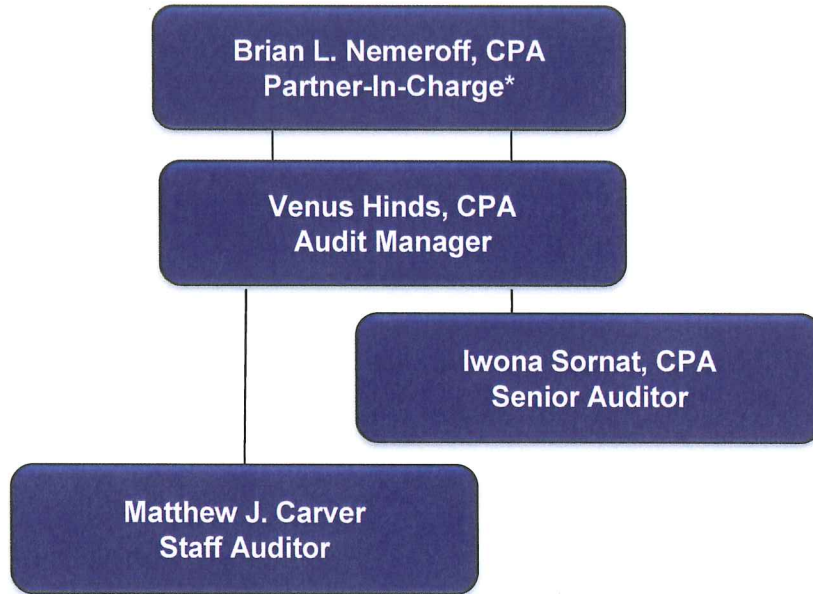
INSURANCE

Berman Hopkins will provide, upon execution of a contract the required insurance coverage as requested by the City of Fort Pierce.

PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE

ENGAGEMENT TEAM AND PROFESSIONAL ORGANIZATIONS

The client service team we are committing to the City represents our most knowledgeable staff for your organization. The staff to be assigned on this engagement are as follows:



The team we are committing to the City represents professional staff of the highest quality with many years of experience and a vast amount of governmental accounting and auditing knowledge. The CPAs on the audit team have active individual licenses in the State of Florida and meet all continuing professional education requirements. The Partner and Manager assigned to this audit engagement are both a CPA with combined experience on governmental audits of over 34 years and meet or exceed the governmental accounting education requirements.

The Partner-In-Charge and Audit Manager's principal functions are to plan, monitor and review the adequacy of our audit procedures. The Partner-In-Charge is responsible for supervision of the staff's work, for approving overall fieldwork procedures, which include sampling and compliance testing. The team will work together to perform all financial auditing including sampling, compliance testing, account balance verification, preparation of proposed management findings and recommendations, and initial drafting of the financial statements while in the field.

The Partner-in-Charge and the Audit Manager are the key members of the audit team and both meet the educational requirements under Florida Statutes, Chapter 11.45.

PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE

BRIAN L. NEMEROFF, CPA (in the State of Florida, 1994, and other numerous states)
Partner-in-Charge

Education

Florida State University
B.S. in Accounting, 1992

Professional Experience and Affiliations

Mr. Nemeroff has over 24 years of local government audit experience. He has presented GASB 34, Single Audit, and governmental auditing concepts and procedures as a CPE instructor. His experience includes, yet is not limited to, the following:

- Florida Municipalities
- Charter Schools
- Housing Authorities
- Florida Counties and the Constitutionals Officer's audits
- Federal and State Single Audits
- American Institute of Certified Public Accountants
- Florida Institute of Certified Public Accountants:
 - A & A Committee - Member 3 years - Published article on SAS 96 - CPA Today,
 - Government Section (member for 15 years)
 - Chair - State and Local Conference
 - Subcommittee to rewrite the Government Compliance Guide
 - Steering Committee
 - Presented GASB 40 - Investing and Risk Disclosure
 - Team Leader on subcommittee on Exposure drafts
- Government Finance Officers Association (GFOA)
 - Comprehensive Financial Audit Report (CAFR) review member

Professional Education

Mr. Nemeroff has completed the required hours of continuing professional education as required by *Government Auditing Standards*, the AICPA, the Florida Board of Accountancy, Florida Statutes, and Berman Hopkins' *Quality Control Document*.

PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE

BRIAN L. NEMEROFF, CPA (in the State of Florida, 1994, and other numerous states)
Partner-in-Charge (continued)

Professional Education (continued)

Completion Date	Activity Title	Sponsor	Format
6/13/2016	Ethics for Michigan CPAs - Part I	Checkpoint Learning (Self Study)	Online (Self-Study)
6/13/2016	Personal and Professional Ethics for Florida CPAs	Checkpoint Learning (Self Study)	Online (Self-Study)
6/3/2016	Governmental A & A Update 6-3-2016	BHWL	Live Seminar
5/18/2016	2016 State and Local Government Audit Planning Considerations	AICPA	Online (Video - Live)
12/17/2015	GAQC 2015 Annual Update Webcast	AICPA	Online (Video - Live)
12/17/2015	Smart-e Audit Training 12/2015	BHWL	Live Seminar
12/16/2015	GASB Statement No. 68 Audit and Accounting Workshop	AICPA	Online (Video - Live)
12/7/2015	Annual A & A Update	BHWL	Live Seminar
11/13/2015	Senior Leadership Academy	BHWL	Live Seminar
8/28/2015	2015 State & Local Government Accounting Conference	FICPA	Live Seminar
8/27/2015	2015 State & Local Government Accounting Conference	FICPA	Live Seminar
5/29/2015	Governmental A & A Update	BHWL	Live Seminar
3/31/2015	Fraud Auditing and Investigation	MicroMash	Online (Self-Study)
3/31/2015	Personal and Professional Ethics for Texas CPAs	PASS Online	Online (Self-Study)
3/30/2015	Ethics for California CPAs	PASS Online	Online (Self-Study)
3/11/2015	HUD Industry Fraud Brainstorming	BHWL	Live Seminar
2/24/2015	Effective HUD Compliance Audits	Practitioners Publishing Company (Group-live and Group-Internet-based)	Webconference
1/5/2015	SEMAP Webinar	BHWL	Teaching (CE Panelist)
1/5/2015	SEMAP Webinar	BHWL	Webconference
12/12/2014	A & A Update	BHWL	Live Seminar
11/14/2014	Leadership Academy	BHWL	Live Seminar
11/10/2014	Yellow Book Financial Audits	BHWL	Webconference
9/22/2014	New Jersey Law & Ethics Webinar	NJSCPA	Webconference
8/8/2014	Testing & Documenting Internal Control Over Compliance in a Single Audit	AICPA	Webconference
7/18/2014	2014 OMB Compliance Supplement and New Uniform Grant Guidance Key Points	AICPA	Webconference
6/18/2014	PHA Financial Reporting Training	NOVAD Management Consulting	Live Seminar
5/16/2014	Governmental A & A	BHWL	Live Seminar
4/25/2014	California Rules and Regulations	PASS Online	Online (Self-Study)
3/12/2014	Fraud Considerations in Gov, NPO & Single Audit	AICPA	Webconference

PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE

VENUS HINDS, CPA (*in the State of Florida, 2010*)
Manager-in-Charge

Education

University of Central Florida
B.S. in Accounting, 2004
M.S. in Accounting, 2007

Professional Experience and Affiliations

Ms. Hinds joined Berman Hopkins in 2005 and has over 10 years of accounting, auditing and tax experience, all of which has been in local government. Her accounting and auditing experience includes, yet is not limited to the following:

- Florida Municipalities
- Charter Schools
- Florida Counties, including the Constitutional Officer's audits
- Not-For-Profit Organizations
- Federal and State Single Audits
- American Institute of Certified Public Accountants
- Florida Institute of Certified Public Accountants
 - Government Section
 - *Subcommittee chair to update the State and Local Government and Charter School Practice Aides*
- Florida Government Finance Officers Association (FGFOA)
- Space Coast Chapter of FGFOA
- Government Finance Officers Association (GFOA)
 - Comprehensive Financial Audit Report (CAFR) review member

Professional Education

Ms. Hinds has completed the required hours of continuing professional education required by *Government Auditing Standards*, the AICPA, the Florida Board of Accountancy, Florida Statutes, and Berman Hopkins' *Quality Control Document*.

PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE

VENUS HINDS, CPA (in the State of Florida, 2010)
Manager-in-Charge (continued)

Professional Education (continued)

Completion Date	Activity Title	Sponsor	Format
6/3/2016	Governmental A & A Update 6-3-2016	BHWL	Live Seminar
5/19/2016	GASB Statements #75 and 75	FGFOA	Online (Video - Live)
5/18/2016	2016 State and Local Government Audit Planning Considerations	AICPA	Online (Video - Live)
12/17/2015	Smart-e Audit Training 12/2015	BHWL	Live Seminar
12/7/2015	Annual A & A Update	BHWL	Live Seminar
12/7/2015	Checkpoint Functionality: For the Advanced User	Thomson Reuters	Live Seminar
11/13/2015	Senior Leadership Academy	BHWL	Live Seminar
11/13/2015	Senior Leadership Academy	BHWL	Teaching (CE Panelist)
11/5/2015	Checkpoint Functionality: Jumpstart-A&A and Tools for PPC	Thomson Reuters	Live Seminar
10/21/2015	AICPA Governmental and Not-for-Profit Training Program	AICPA	Live Seminar
6/26/2015	FEMA Reimbursements - Post Disaster Programs(The In's & Out's)	FGFOA	Live Seminar
6/26/2015	Single Audit Compliance	FGFOA	Live Seminar
6/17/2015	Ethics	FGFOA	Live Seminar
6/16/2015	A Closer Look at the New Pension Standards	FGFOA	Live Seminar
6/16/2015	Upgrading Infrastructure through Energy Conservation	FGFOA	Live Seminar
6/15/2015	Accounting Complexities Facing Local Government IV	FGFOA	Live Seminar
6/15/2015	Local Government Accountability Update	FGFOA	Live Seminar
6/15/2015	Opening General Session	FGFOA	Live Seminar
6/14/2015	GASB Hot Topics	FGFOA	Live Seminar
6/14/2015	GASB Update	FGFOA	Live Seminar
6/12/2015	Jr. Leadership Academy	BHWL	Live Seminar
6/12/2015	Jr. Leadership Academy	BHWL	Teaching (CE Panelist)
5/29/2015	Governmental A & A Update	BHWL	Live Seminar
12/12/2014	A & A Update	BHWL	Live Seminar
11/14/2014	Leadership Academy	BHWL	Live Seminar
10/22/2014	AICPA Governmental & Not-for-Profit Program	AICPA	Live Seminar
6/4/2014	FGFOA 2014 Annual Conference	FGFOA	Live Seminar
5/16/2014	Governmental A & A	BHWL	Live Seminar
4/24/2014	Charter School Training	BHWL	Live Seminar
4/18/2014	Update of Brevard County Property Values	FGFOA	Live Seminar
2/1/2014	AuditSense Training	BHWL	Live Seminar

PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE

IWONA SORNAT, CPA
Senior Auditor

Education

University of Central Florida
B.S. in Accounting, 2010
University of Central Florida
Master of Science in Accounting, 2013
Law and Commerce University of Warsaw, Poland, 2002
B.S in Economics/Major - Human Resources Management

Professional Experience

Mrs. Sornat joined Berman Hopkins in 2012 and has over 4 years accounting and auditing experience. Her accounting and auditing experience includes, yet is not limited to the following:

- Florida Municipalities
- Charter Schools
- Florida Counties (approximately 6 including the Constitutional Officer's audits)
- Federal and State Single Audits
- Not-For-Profit Organizations
- Florida Government Finance Officers Association (FGFOA)

Professional Education

Mrs. Sornat has completed the required hours of continuing professional education required by *Government Auditing Standards*, the AICPA, the Florida Board of Accountancy, Florida Statutes, and Berman Hopkins' *Quality Control Document*.

Completion Date	Activity Title	Sponsor	Format
6/3/2016	Governmental A & A Update 6-3-2016	BHWL	Live Seminar
5/24/2016	Understanding and testing controls and compliance in an audit	BHWL	Live Seminar
12/7/2015	Annual A & A Update	BHWL	Live Seminar
10/21/2015	Beginning In Charge Training (Level C)	BHWL	Live Seminar
6/12/2015	Jr. Leadership Academy	BHWL	Live Seminar
5/29/2015	Governmental A & A Update	BHWL	Live Seminar
12/12/2014	A & A Update	BHWL	Live Seminar
11/10/2014	Yellow Book Financial Audits	BHWL	Webconference
10/29/2014	AuditSense Beginning InCharge	Audit Sense, LLC	Live Seminar
5/16/2014	Governmental A & A	BHWL	Live Seminar
4/25/2014	Staff Training	BHWL	Live Seminar
4/24/2014	Charter School Training	BHWL	Live Seminar
2/1/2014	AuditSense Training	BHWL	Live Seminar

PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE

MATTHEW J. CARVER

Staff Auditor

Education

Saint Leo University

B.A. in Accounting, 2010

Saint Leo University

M.B.A. in Accounting, 2013

Professional Experience

Mr. Carver joined Berman Hopkins in 2014 and has over 5 years of accounting, tax and auditing experience, all of which has been in local government. His accounting and auditing experience includes, yet is not limited to the following:

- Florida Municipalities
- Charter Schools
- Florida Counties
- Federal and State Single Audits
- Florida School Districts
- Not-For-Profit Organizations
- Florida Government Finance Officers Association (FGFOA)

Professional Education

Mr. Carver has completed the required hours of continuing professional education required by *Government Auditing Standards*, the AICPA, the Florida Board of Accountancy, Florida Statutes, and Berman Hopkins' *Quality Control Document*.

Completion Date	Activity Title	Sponsor	Format
6/3/2016	Governmental A & A Update 6-3-2016	BHWL	Live Seminar
12/7/2015	Annual A & A Update	BHWL	Live Seminar
10/21/2015	Beginning In-Charge Training (Level C)	BHWL	Live Seminar
6/12/2015	Jr. Leadership Academy	BHWL	Live Seminar
5/29/2015	Governmental A & A Update	BHWL	Live Seminar
12/12/2014	A & A Update	BHWL	Live Seminar
11/10/2014	Yellow Book Financial Audits	BHWL	Webconference
10/29/2014	AuditSense Staff Training	Audit Sense, LLC	Live Seminar
5/16/2014	Governmental A & A	BHWL	Live Seminar
4/25/2014	Staff Training	BHWL	Live Seminar
4/24/2014	Charter School Training	BHWL	Live Seminar
1/17/2014	Proof and Math Training	BHWL	Live Seminar
1/17/2014	Software Training	BHWL	Live Seminar

PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE

QUALIFICATIONS OF AUDIT STAFF

Berman Hopkins has the comprehensive auditing experience to meet your needs. We have an excellent record of proven performance for other cities, towns, counties, authorities and other governmental entities. **The majority of our audit practice is in the government area.**

We do not anticipate any need to change the proposed audit team. In the event of promotion, office reassignment, serious illness, injury, death, resignation, or other circumstances out of our control, a change in this engagement team would occur. Should there be a need to change a Partner, Manager, Senior or other staff due to these events, you will be provided written notice. A change in the engagement's management for other reasons will be subject to the permission of the City's management. Other audit personnel replacements will have substantially the same or better qualifications or experience.

We commit to maintaining the same staffing throughout the years of the contract, if awarded. Certain members of the audit team will be assigned to this engagement on a full-time basis. The Partner will be assigned on a part-time basis to specific segments requiring their levels of experience and expertise. You are assured our staff are qualified and will perform to the best of their ability. The staff essential to the continuity of the engagement will be available throughout the contract period. A senior member of the staff will be assigned as the in-charge on your engagement and will be present in the field to supervise and manage the audit team.

APPROACH TO CONTINUING EDUCATION

Quality continuing professional education (CPE) is a priority at Berman Hopkins. We sponsor at least two accounting and auditing CPE programs annually, including, at a minimum, one eight (8) hour governmental seminar to which firm members, clients, and friends of the firm are invited. All of our professionals attend accounting, auditing, tax and management seminars and conferences sponsored by the AICPA, FICPA and the GFOA relating to their areas of expertise. Our Certified Public Accountants (CPAs) meet or exceed the continuing professional education requirements for *Government Auditing Standards*, the AICPA, the Florida Board of Accountancy, Florida Statutes, and Berman Hopkins' *Quality Control Document*. Our government auditors attend several government accounting and auditing seminars per year, including GASB updates as well as Florida Auditor General, GFOA and FICPA local government seminars.

In addition to updating our own knowledge, we make every effort possible to keep our clients updated as well. This process is usually accomplished through quarterly industry newsletters, meetings with clients on issues applicable to them as deemed necessary throughout the year, email communications, and inviting clients to attend conferences and seminars with us or developed and presented by the firm.

Our staff have completed the required hours of continuing professional education as required by *Government Auditing Standards*, the AICPA, the Florida Board of Accountancy, and Berman Hopkins' *Quality Control Document*.

We will provide and invite the City's financial personnel with 8 hours of CPE relating to government accounting and auditing during each year of the contract. This training meets the requirement for Continuing Education with respect to the Florida Board of Accountancy.

PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE

APPROACH TO CONTINUING EDUCATION (continued)

We have audited numerous federal and state grant programs and **performed both federal and state single audits for clients.**

The Firm is a member of the AICPA Governmental Audit Quality Center and reviewers of CAFRs for the GFOA Certificate of Achievement in Financial Reporting Program. Members of our Governmental Audit Team are involved with numerous committees of the FICPA, which include the following:

Brian L. Nemeroff, CPA, serves on the State and Local Government Committee responsible for reviewing and commenting on new government accounting and auditing standards;

Venus Hinds, CPA, serves on the State and Local Government Committee as the Sub-Committee Chair for the State and Local Government Practice Aid annual updates.

Our staff has presented various classes on governmental and non-governmental accounting and auditing topics.

We are active members of the Space Coast Chapter of the Florida Government Finance Officer's Association (FGFOA). Through the GFOA, AICPA, FICPA, we participate in education programs to maintain our governmental expertise.

SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENT ENTITIES

GOVERNMENT ENTITIES

Government Entity	Dates	Hours	Staff Assigned	Principal Client Contact
BREVARD COUNTY, FLORIDA	1978 - Present	3200	Brian Nemeroff Venus Hinds Iwona Sornat/Matthew Carver	Kathleen Prothman (321) 637-2002
Scope of Engagement: Comprehensive financial audit including preparation of GASB 34 Statements.				
CITY OF INDIAN HARBOUR BEACH, FLORIDA	1977 - Present	350	Brian Nemeroff Venus Hinds Iwona Sornat	Julie Bradford (321) 773-3181
Scope of Engagement: Annual financial audit including preparation of GASB 34 Statements. Included in the scope of our audit is a Public Reitement System (police).				
SPACE COAST TRANSPORTATION PLANNING ORGANIZATION	2011 - Present	191	Brian Nemeroff Venus Hinds Iwona Sornat	Laura Carter (321) 690-6890
Scope of Engagement: Annual financial audit including preparation of GASB 34 Statements.				
TOWN OF PALM SHORES	2006 - Present	160	Brian Nemeroff Venus Hinds	Carol McCormack Mayor (321) 242-4555
Scope of Engagement: Annual financial audit including preparation of GASB 34 Statements.				
TOWN OF GRANT VALAKARIA	2008 - Present	130	Brian Nemeroff Venus Hinds Iwona Sornat	Rick Hood Town Administrator (321) 951-1380
Scope of Engagement: Annual financial audit including preparation of GASB 34 Statements.				

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SPECIFIC AUDIT APPROACH

UNDERSTANDING OF THE SCOPE OF WORK

It is our understanding the services we are proposing to include an audit of City's financial statements for the fiscal years ending September 30, 2016 through September 30, 2018 (with the option of up to two (2), one (1) year renewals).

We will perform a financial and compliance audit of the City for the years under contract. Our audit report will express an opinion on an annual basis on the fair presentation of the basic financial statements of the City financial statements, in conformity with U.S. generally accepted accounting principles and Board policy. We will provide special assistance to the City with the Comprehensive Annual Financial Report to meet the requirements for the comprehensive annual financial report to the Government Finance Officers Association of the United States and Canada for review in their Certificate of Achievement for Excellence in Financial Reporting program.

Berman Hopkins will also issue a "consent and citation of expertise" and any necessary "comfort letters" if requested by the fiscal advisor and/or the underwriter.

We will apply certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America. We will also express an opinion, in relation to the basic financial statements taken as a whole, on the Schedule of Expenditures of Federal Awards and State Financial Assistance and on the combining and individual fund financial statements and schedules. We will not audit the statistical section of the report or the MD&A.

Our audit will be performed in accordance with generally accepted auditing standards set forth by the American Institute of Certified Public Accountants, *Government Auditing Standards* issued by the Comptroller General of the United States, the provisions of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"), the Florida Single Audit Act, Section 215.97, Florida Statutes, and Chapter 10.550, Rules of the Auditor General.

We will issue reports on compliance and on internal control over financial reporting based on our tests of compliance and our study and evaluation of the internal control structure. Our tests of compliance will assess the City's compliance with all applicable legal and regulatory requirements, including Federal and State laws and regulations and debt covenants. We will identify the City's significant internal accounting controls and assess control risk based on our study. We will also issue a report on compliance and internal control over compliance based on our assessment of requirements applicable to major Federal programs and State projects. These reports will include any findings and recommendations noted during our audit as required by the appropriate regulatory authorities. We will discuss any findings or recommendations with City management prior to the release of our reports and assist in resolving the issues.

We have vast experience with the Federal and Florida Single Audit Acts.

SPECIFIC AUDIT APPROACH

GASB PRONOUNCEMENTS AND RECOMMENDATIONS

Berman Hopkins is extensively familiar with GASB Pronouncements and current application of governmental issues in standard implementation. By staying abreast of current issues and depth of over 40 years of experience, Berman Hopkins is proactive in gaining insight to GASB Pronouncements by attending governmental trainings, continuing education, servicing on governmental committees and putting to practice the knowledge acquired as a result of attending governments in practical applications of those requirements. Berman Hopkins has the capacity to accommodate the City with the assistance to comply with GASB standards and recommendations to enact the appropriate application of the GASB requirements. Generally, recommendations are present to the City in the form of the Management Letters. Management Letters are not a required part of an audit; however, Berman Hopkins issues management comments as an additional opportunity for client service. This adds value to the audit process as a management tool. The matters typically included in our management letters include: observations and suggestions about operational or administrative efficiencies, business strategies, and other items of potential benefit, including improvements to internal controls, as well as deficiencies that are not, in the auditor's judgment, material weaknesses or significant deficiencies.

Management letter comments may address matters such as the following:

- Weaknesses in accounting practices and controls that are not significant deficiencies or material weaknesses;
- Weaknesses and inefficiencies in controls not related to financial data;
- Operational inefficiencies, such as inefficient inventory management controls, and suggestions for improvement;
- Suggestions on "best practices" we have observed from other Cities;
- Other areas of importance.

TIMELINE

Berman Hopkins' staff will be available to begin work on this engagement immediately following execution of a contract with the City of Fort Pierce. Planning the engagement would be done in conjunction with the City's schedule and would specifically take into consideration the City's staff schedules. We will schedule the individual fieldwork tasks by staff classification and will make sure the job has proper supervisory coverage at all times. Once we schedule a job, we do not schedule any other concurrent jobs for staff assigned.

We plan and commit to meet your needs and exceed your expectations through the use of carefully devised planning strategies, closely monitored project management schedules, and proven audit techniques and technology.

The following chart provides a general outline of the project schedule for the City's fiscal year ending September 30, 2016.

SPECIFIC AUDIT APPROACH

TIMELINE (continued)

Upon execution of a contract as soon as the City is ready	After the completion of closing process for fiscal year end of September 30, when the City is prepared	After the end of fieldwork estimated completion by January 31	The financials will be finalized by the required due date
ENTRANCE CONFERENCE & PLANNING TO COMMENCE			
	FIELD WORK - Compliance, control and substantive fieldwork		
		WRAP UP AND REVIEW WORK	
		PRELIMINARY FINANCIAL STATEMENTS & EXIT CONFERENCE	
		FINAL FINANCIAL STATEMENTS AND FEDERAL AUDIT CLEARING HOUSE SUBMISSIONS	

SPECIFIC AUDIT APPROACH

SEGMENTATION OF THE ENGAGEMENT

The proposed audit segmentation will be comprised of the following three major sections:

Planning Phase and Interim Work

We will meet with the Finance personnel immediately upon execution of the audit contract in order to discuss any areas of concern management may have and to discuss audit timing, spacing, and items needed to conduct an efficient audit. We will complete the interim work on or after July. The specific procedures to be performed during the planning phase of the audit include the following:

- Review the City minutes, review the adopted budget for the upcoming audit year, review interlocal agreement and define key audit areas.
- Obtain updated organizational charts, manuals and programs. Update our understanding of the control environment, organizational structure, IT systems, personnel policies, financial and other management information systems and disaster recovery through interview and walk-throughs of significant processes from initiation to inclusion in the financial statements.
- Develop a detailed audit plan, including time budgets and schedules which will comply with the requirements of federal single audit for Uniform Guidance.
- Obtain the draft schedule of federal expenditures and state financial assistance schedule and evaluate for major programs and projects to be tested and obtain the grant contract agreement, if applicable.
- Assess control risk and plan internal control, compliance, substantive and Single Audit testing. Perform testing as appropriate.
- Obtain correspondence from regulatory agencies, if any.
- Obtain information needed to prepare confirmations and attorney letter requests.
- Make arrangements with the Information Technology Department to receive financial information downloads to be able to utilize data extraction software.

	<u>Hours</u>
Partner	23
Manager	30
Senior	25
Staff	<u>4</u>
Total Audit Segment	82

SPECIFIC AUDIT APPROACH

SEGMENTATION OF THE ENGAGEMENT (continued)

Field Work

Berman Hopkins personnel performing audit field work will reside at the City's office, as necessary, to perform their specific assignments. The principle functions of the Partner-in-Charge and Partner Support Team are to supervise and review the adequacy of our audit procedures and work papers. The Manager is responsible for planning the audit, approving overall field work procedures and reviewing the Senior Auditor/In-charge audit work papers. The Senior Auditor/In-charge is responsible for supervising and reviewing all field work procedures, preparing proposed management findings and recommendations and drafting audit reports. The Senior and Staff auditors perform audit procedures as assigned. Fieldwork will be completed by the end of January.

The specific procedures to be performed during the field work phase of the audit include the following:

- Receive or prepare workpapers to support all major financial statement accounts.
- Complete analytical review and other audit procedures.
- Submit proposed journal entries.
- Discuss and resolve findings and recommendations with City management.
- Finalize audit documentation.
- Prepare preliminary audit report and management comments.

	<u>Hours</u>
Partner	27
Manager	40
Senior	55
Staff	<u>180</u>
 Total Audit Segment	 302

SPECIFIC AUDIT APPROACH

SEGMENTATION OF THE ENGAGEMENT (continued)

Post Field Work and Reporting

The specific procedures to be performed during the post field work and reporting phase of the audit include the following:

- Review of audit procedures by our engagement manager, support partner and engagement partner.
- Review financial reports filed with the Florida Department of Financial Services.
- Review of the City's CAFR.
- Review financial condition assessment procedures pursuant to Chapter 10.556(8), Rules of the Auditor General.
- Attend exit conferences with the City Manager and City Treasurer and present to City Council as required.
- Finalize and issue the following audit reports by the required due date:
 - Independent Auditor's Report
 - Independent Auditor's Report on Internal Control over Financial Reporting on Compliance
 - Independent Auditor's Report on Compliance for Each Major and on Internal Control Over Compliance Required by the Uniform Guidance, if applicable
 - Management Letter
 - All Applicable Compliance Audit Reports as Required by the State of Florida Auditor General Compliance Supplement.

	Hours
Partner	47
Manager	65
Senior	60
Clerical	8
 Total Audit Segment	 180

	Total Hours
Partner	97
Manager	135
Senior	140
Staff	184
Clerical	8
 Total for all Audit Segment	 564

SPECIFIC AUDIT APPROACH

APPROACH TO BE TAKEN IN USING STATISTICAL SAMPLING

Our sample sizes are determined based on several factors, including materiality, the size and nature of the population of the data to be sampled, and the testing strategy. When we are testing compliance, we use applicable guidance and our professional judgment to determine the extent of our testing. We consider a number of factors in deciding the extent of our tests. These factors include:

- Requirement from applicable guidance.
- The type of population to be tested; numerically identified population we will use a random sample selection, non-numerically identified we will use a haphazard sample selection.
- Attributes to be tested are identified and documented.
- The expected deviation from the compliance requirement.
- The relative importance of the possible errors that could result if the required compliance was not being followed.

The size of our samples is statistically and judgmentally derived and varies depending on the evaluation of the compliance requirement. We will also select audit samples for tests of internal control, integrating these tests whenever possible.

For major federal programs and state projects under the federal and state Single Audit acts, we will separate populations into "control groups" (i.e. programs with the same control environment) in order to combine our sampling efforts to the extent possible. We will combine our tests of transactions with our tests of controls for each program or project as possible.

EXTENT OF COMPUTER SOFTWARE

During the planning phase of the audit, we will determine the extent to which we can efficiently utilize computer-assisted audit techniques ("CAATS") which are audit procedures performed with the aid of Electronic Data Processing ("EDP") software for large data files.

CAATS can be used to perform a variety of time consuming detail testing such as: footing files; testing for incomplete data; and sorting files in any order for certain analytical procedures. CAATS can also be used to perform a variety of tests of controls to evaluate either the design or the operating effectiveness of controls, such as:

- Selecting a sample for re-performance or inspection procedures;
- Testing access to critical programs or files;
- Testing programmed application controls.

We also incorporate testing procedures to look for fraudulent or unusual transactions using various techniques.

SPECIFIC AUDIT APPROACH

TYPE AND EXTENT OF ANALYTICAL PROCEDURES

The type and extent of analytical procedures to be performed is based on many factors, including risk assessments pertaining to significant accounts and key processes, effectiveness of internal controls, and materiality levels. For significant risks, if controls are ineffective or we choose not to test them, the audit procedures appropriate to address such significant risks consist of tests of details or a combination of tests of details and substantive analytical procedures that are specifically responsive to the significant risk.

Our first step in performing analytics is to determine the objectives of the procedures (e.g., to obtain substantive audit evidence regarding the completeness of an account or to identify unusual/higher risk items) and to consider whether analytics are appropriate in the circumstances given the audit evidence we need. For the purpose of designing our analytic procedures, analytical procedures are grouped into the following techniques:

- Data analysis - analyze each item in the population or data set to identify higher risk items (e.g., unusual items) and unusual patterns within a population or data set (e.g., journal entries, employee vs. vendor data, revenue transactions, accounts receivable detail listing). We typically perform data analysis using electronic tools (e.g., IDEA). These analyses are driven from auditor-defined parameters of acceptable and unacceptable data or from sophisticated electronic tools that have built-in intelligence.
- Predictive - calculate amounts for comparison with the City's recorded amounts. Predictive techniques can include complex calculations, such as those performed using regression analysis, as well as relatively simple computational models.
- Ratio/Trend Analysis - analyze financial or non-financial amounts over a period, or at a point in time, to identify significant changes in the City's operations or financial characteristics. These analytical procedures include a variety of analyses, such as financial and operating ratios, trend analysis, and simple comparisons of financial statement amounts between periods.

APPROACH TO GAIN AND DOCUMENT AN UNDERSTANDING OF THE CITY OF FORT PIERCE'S INTERNAL CONTROL

The City's policies, procedures and risk assessments for financial reporting will be obtained. We will gain further understanding of the City's internal control by completing the following:

- Interview key staff involved in the process.
- Observe significant transactions such as:
 - cash receipt process
 - cash disbursement process
 - payroll process
 - journal entry process
 - purchasing process
- Test controls over significant processes.

We will advise management of any weaknesses or opportunities for improvement in the process.

SPECIFIC AUDIT APPROACH

APPROACH TO BE TAKEN IN DETERMINING LAWS AND REGULATIONS SUBJECT TO AUDIT TEST WORK

A governmental accounting system must make it possible to determine and demonstrate compliance with finance related legal and contractual provisions. Governmental financial operations, like other aspects of their operations and even their very existence, evolve from and are regulated by various legal provisions.

Auditing standards require that our audit be designed to provide reasonable assurance that the City's financial statements are free of material misstatements resulting from noncompliance with laws, regulations, contracts and grants and other matters that have a direct and material effect on the determination of financial statement amounts. We are familiar with Federal and State laws and regulations, including the Rules of the Auditor General, that apply to counties, and continually review them for updates and changes.

Our approach to determining the laws and regulations to be tested as part of the compliance audit includes the following procedures:

- Review past compliance findings, if any.
- Obtain any federal or state agency monitoring reports received by the City during the year and the City's evaluation of pending reports.
- Obtain communications with the cognizant agency.
- Review state laws relative to financial, accounting and purchasing matters.
- Review the financial and personnel policies of the City.
- Review accounting and administrative control systems, including general and specific requirements, and design tests of these controls.
- Review bond covenants and test compliance with these covenants.
- Determine the major federal programs and state projects of the City.
- For each major program, complete the Berman Hopkins audit program and the Compliance Supplement, issued by the Office of Management and Budget.

We will determine whether the City complied with laws, regulations and the provisions of contracts or grant agreements pertaining to Federal awards and State financial assistance that could have a direct and material effect on each major program and project. We will review the compliance requirements for, and internal control over, each major program and project. We will perform testing, as described above, to determine whether the City adhered to the program's compliance requirements and whether we note any control efficiency regarding internal control over compliance.

Other compliance issues and testing approaches will be determined after we have completed our planning process.

SPECIFIC AUDIT APPROACH

APPROACH TO BE TAKEN IN DRAWING AUDIT SAMPLES FOR PURPOSE OF TESTS OF COMPLIANCE

Whenever possible, we will integrate our tests of compliance with our tests of controls. We will plan our test of controls to support a low assessed level of control risk, typically resulting in a sample size of 40 transactions for each major program and project. We will also select material bond issues for restrictive covenant compliance testing. Other compliance issues and testing approaches will be determined after we have completed our planning process.

As discussed above, we will use computer generated random number sampling techniques when possible, with additional stratification of large populations with a wide range of dollar values. This method is generally used to test cash disbursements for purchases, payroll or other audit areas as appropriate.

IDENTIFICATION OF ANTICIPATED POTENTIAL AUDIT PROBLEMS

IDENTIFICATION OF ANTICIPATED POTENTIAL AUDIT PROBLEMS

Berman Hopkins is not aware of any potential audit problems at this time. However, should we become aware of any, such as resolving a U.S. GAAP issue, we would utilize one or more of the following resources available to us.

1. Technical research using computer databases and up-to-date library services in our internal library systems.
2. A meeting of Berman Hopkins' Accounting and Auditing Committee and consultation partner team.
3. Telephone or written consultation with one or more of the following sources:
 - a. The Government Accounting Standards Board Technical Inquiries.
 - b. The American Institute of Certified Public Accountants Technical Information. This service often refers questions to other offices more directly involved in a specific issue.
 - c. Practitioners Publishing Company. This service provides research and analysis on current issues and technical assistance.
 - d. FICPA State and Local Committee.
 - e. PrimeGlobal's Technical Director.
 - f. The Government Finance Officers' Association.
 - g. Other large local or national CPA firms with whom we have established professional relationships and are confident they are technically qualified to consult on GAAP issues.

Once our research is complete, we will discuss the results with City's management to determine any further courses of action, if necessary, in order to reach a mutually agreed solution to the issue.

SAMPLE REPORTS

**SAMPLE REPORT
INDEPENDENT AUDITOR'S REPORT**

To the City Commission
Fort Pierce, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Fort Pierce, Florida (the "City"), as of and for the year ended September 30, 20XX, and the related notes to the financial statements, which collectively comprise the City of Fort Pierce, Florida'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 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 required 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 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.

Opinions

In our opinion, 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 of Fort Pierce, Florida as of September 30, 20XX, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General Fund community Redevelopment Agency Fund, and Hurricane Housing Recovery Fund for the year 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, schedule of funding progress, schedule of net pension liability, and the schedule of pension contributions, as listed in the table of contents, 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 of Fort Pierce, Florida's basic financial statements. The introductory section, combining and individual nonmajor fund financial 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 schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Chapter 10.550, Local Governmental Entity Audits, Rules of the Auditor General, State of Florida and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules, as listed on the table of contents, and the schedule of expenditures of federal awards and state financial assistance 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 nonmajor fund financial statements and the schedule of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections 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 _____, on our consideration of the City of Fort Pierce'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 of Fort Pierce internal control over financial reporting and compliance.

Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP

SAMPLE REPORT
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 City Commission
City of Fort Pierce, 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 Fort Pierce, Florida (the "City") as of and for the year ended September 30, 20XX, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated _____.

Internal Control over Financial Reporting,

In planning and performing our audit of the financial statements, we considered the City of Fort Pierce, Florida'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 of Fort Pierce, Florida's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Fort Pierce, Florida'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 City of Fort Pierce, Florida's financial statements are free from 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.

Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP

STAMP

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

To the City Council
City of Fort Pierce, Florida

Report on Compliance for the Major Federal Program

We have audited the City of Fort Piece, Florida compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on the City's major federal program for the year ended September 30, 20XX. The City's major federal program is 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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program 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; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"). Those standards and the Uniform Guidance require 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 the major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on the Major Federal Program

In our opinion, the City complied, in all material respects, with the requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 20XX.

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 the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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 combination of deficiencies, in internal control over compliance with a type of compliance requirements 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.

Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP

City of Fort Pierce, Florida

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

September 30, 20XX

A. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: **Unmodified**

Internal control over financial reporting:

Material weaknesses identified? **No**

Significant deficiencies identified? **None Reported**

Noncompliance material to financial statements noted? **No**

Federal Awards

Internal control over major programs:

Material weaknesses identified? **No**

Significant deficiencies identified? **None Reported**

Type of auditor's report issued on compliance for the major program: **Unmodified**

There are no audit findings that are required to be reported in accordance with 2 CFR 200.516(a).

The program tested as a major program is as follows:

The threshold for distinguishing types A and B programs was \$ _____

Did the auditee qualify as a low-risk auditee? **Yes**

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None.

C. FINDINGS AND QUESTIONED COSTS - FEDERAL AWARD PROGRAMS

None.

D. SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

None.

ATTACHMENTS

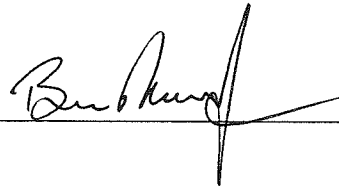
CITY OF FORT PIERCE PROPOSAL CHECKLIST

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?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is your firm's qualifications and experience as stated in proposal documents ?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is the sealed dollar cost bid information included as stated in proposal documents (pages 25-26)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is each item included as stated in the Submission of Proposal section (page 20-21)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Proposal envelope is marked accordingly.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Are seven (7) complete proposal packages included (one original and six copies)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is each Addendum (when issued) signed and included?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

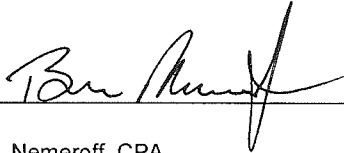
PLEASE SIGN AND RETURN WITH PROPOSAL



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): Brian L. Nemeroff, CPA

Title: Partner

Firm: Berman Hopkins Wright & LaHam, CPAs and Associates, LLP

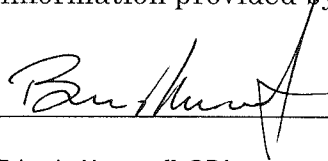
Date: July 15, 2016

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):

Brian L. Nemeroff, CPA

Title:

Partner

Firm:

Berman Hopkins Wright & LaHam, CPAs and Associates, LLP

Date:

July 15, 2016



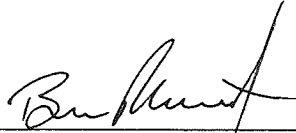
DRUG FREE WORKPLACE FORM

The undersigned vendor in accordance with Florida Statute 287.087 hereby certified that

Berman Hopkins Wright & LaHam, CPAs and Associates, LLP 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

July 15, 2016
Date



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:

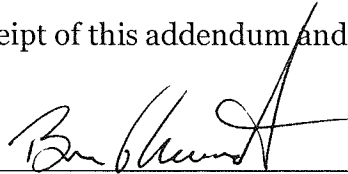
1. Question: What were the audit fees for each of the last three fiscal years?
Response: FY 15 combined audit fees \$105,559 (noted on page 12 of RFP)
FY 14 combined audit fee \$102,455
FY 13 combined audit fee \$99,000
2. Question: Are the current auditors allowed to respond to the RFP?
Response: Yes, 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: _____



Manual

Signature: Brian L. Nemeroff, CPA, Partner

Typed or Printed

Company Name: Berman Hopkins Wright & LaHam, CPAs and Associates, LLP

Address: 8035 Spyglass Hill Road, Melbourne, FL 32940

Date: _____

July 15, 2016

/gc