

TAB 5

POINT PAPER

Award of Audit Contract Fiscal Years 2009, 2010 and 2011

Problem: The contract for audit services expired with the completion of the FY2008 audit and issuance of the 2008 CAFR. A new contract (engagement letter) is necessary to complete the city's audit for FY2009 and the subsequent two years.

Background:

The city issued a RFP for audit services and received four proposals on June 17, 2009. The audit committee consisted of Karen Simpson, Cheryl Miller, Diane Ponder and Scott Tyler. The committee evaluated the proposals based on the criteria provided in the attached RFP (see Part IV-Evaluation of Proposals). CPA Associates received the highest scoring and was the first choice of each of the committee members.

Based on the criteria, the committee felt that CPA Associates had superior expertise, size and experience with the City of Palmetto as well as other governments of our size, makeup and needs. They are located directly across the river in Bradenton providing easy access and support to city staff. Their staff qualifications are excellent in that four of the five proposed audit staff are CPAs and the firm ensures every staff member receives continuing education to keep up with their changing profession and all primarily perform governmental audits. Their specific audit approach was well defined and tailored to fit the city's needs.

Of the four proposals received, CPA Associates was the second lowest in proposed price at \$49,500 for the annual financial audit and \$4,000 for the single audit, should one be required. It is yet to be determined if a single audit will be required for the FY2009 year. This audit price is for 450 hours which is an average rate of \$110 per hour. The price for the FY2010 and FY2011 audits were \$50,000 and \$50,500 respectively, with the single audit price remaining at \$4,000.

The lowest proposal was for \$45,000 and \$5,000 with the audit amount increasing \$1,500 each of the two subsequent years. This price is for 300 hours which is an average rate of \$150 per hour. The committee did not feel however, that this firm was the best choice since it is a much smaller firm, did not present a well defined audit approach, was less experienced in governmental audits, and did not appear to have sufficient continuing education in the governmental auditing and accounting area.

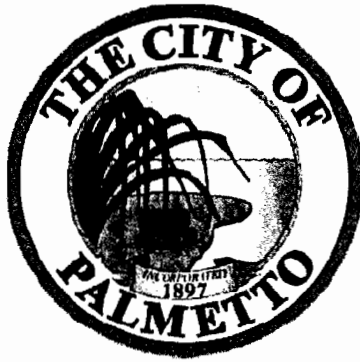
It is the recommendation of the audit committee to award the audit contract for the FY2009 through FY2011 audit to CPA Associates. Interim audit procedures can then be performed in August. A copy of the audit RFP is attached along with the CPA Associates proposal. Copies of the other proposals are available from the Finance Department upon request.

Alternatives:

1. Do nothing.
2. Approve the Mayor to execute the engagement letter (contract) with CPA Associates for the FY2009, 2010 and 2011 audit years at the price stated in the proposal and the option to renew for three (3) consecutive one year periods.

Recommendation: Staff recommends alternative #2

Budget Impact: The FY2010 budget includes \$49,000 for audit services and \$4,000 for a single audit.



CITY OF PALMETTO, FLORIDA

REQUEST FOR PROPOSAL RFP 2009-06

FINANCIAL AUDITING SERVICES

June 17, 2009 2:00 PM

Firm Contacts:

Tommye E. Barie, CPA
tbarie@cpa-associates.com
Sean Gingras, CPA
sgingras@cpa-associates.com



Certified Public Accountants
and Consultants

CPA Associates

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Bradenton, Florida 34205-7440
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Certified Public Accountants
and Consultants

June 17, 2009

City of Palmetto
516 8th Avenue West
Palmetto, Florida 34221

Dear Members of the Audit Selection Committee:

CPA Associates appreciates the opportunity to submit a proposal to provide audit services to the City of Palmetto, Florida (the City). In response to your Request for Proposal, we have prepared a proposal that reflects our understanding of the City's requirements and demonstrates our capability and commitment to serve in an expeditious manner so as to comply with the City's timeline. This proposal represents a collaborative effort by the CPA Associates engagement team identified on page 9. This proposal is a reflection of our philosophy that what matters most is client satisfaction.

As we understand the service requirements described in the Request For Proposal guidelines, our engagement will include an annual examination of the City's financial statements for fiscal years ending September 30, 2009, 2010 and 2011, with an option to renew for three (3) consecutive one (1) year periods, contingent on the satisfactory negotiation of terms between both the City and the Firm, and with no change from the original Request for Proposal (except for dates). The annual examination will include a financial audit, (which includes the Community Redevelopment Agency), Federal and/or State Single Audit as applicable, review of the Comprehensive Annual Financial Report (CAFR) prepared by City personnel, review of internal controls, review of compliance matters, data processing review, the issuance of a management letter and all other reports required by Generally Accepted Auditing Standards, *Government Auditing Standards*, applicable Florida Statutes, Rules of the Auditor General for the State of Florida, the Single Audit Act of 1984 and the related amendments of 1996, and OMB Circular A-133. In the event the auditor's opinion is other than unqualified, we will furnish City personnel, on a timely basis, the reasons for qualifying the opinion, disclaiming an opinion, or rendering an adverse opinion. We will assist the City with the preparation of the cash flow and government-wide financial statements for the Comprehensive Annual Financial Report, and perform the necessary pre-issuance reviews in order to maintain the GFOA's Certificate of Achievement for Excellence in Financial Reporting. We will also provide assistance with implementing Government Accounting Standards Board Statements.

We are proud of our heritage as governmental auditors. Our size, depth of resources, and specific governmental experience are substantial, but it is not these factors that set us apart from other firms. Rather, it is the commitment to deploy those resources and experience on behalf of the City. Simply put, the City has been one of our most important clients and, accordingly, will continue to receive the priority service it deserves.

We thank you for considering our Firm and we look forward to the opportunity to continue providing auditing and other services to the City of Palmetto, Florida. We understand that this proposal is a firm and irrevocable offer for 180 days. We trust you will find our responses to be complete. If the Audit Selection Committee should have any questions regarding this proposal or desire to receive a presentation, please contact Jerry Marlar or Tommye Barie, who are both principals representing CPA Associates.

This proposal is made without collusion with any other person or entity submitting a proposal pursuant to the City of Palmetto's Request for Proposal 2009-06. All required certifications and statements included within the RFP have been provided in the appendices as outlined in the table of contents. We are committed to meeting your needs and exceeding your expectations.

Sincerely,

CPA Associates

A handwritten signature in black ink that reads "Tommye E. Barie". The signature is written in a cursive, flowing style.

Tommye E. Barie, CPA
Director of Audit and Assurance Services

INDEPENDENCE

CPA Associates is independent of the City of Palmetto, Florida, as defined by generally accepted auditing standards and *Government Auditing Standards* issued by the U. S. General Accounting Office. Additionally, the Firm has no conflict of interest with regard to any other work performed by the Firm for the City.

LICENSE TO PRACTICE IN THE STATE OF FLORIDA

CPA Associates is licensed to practice public accounting within the State of Florida (License Number AD-0007585). All key professional staff proposed to service the City of Palmetto, Florida, are licensed Certified Public Accountants in the State of Florida.

EXPERTISE AND EXPERIENCE

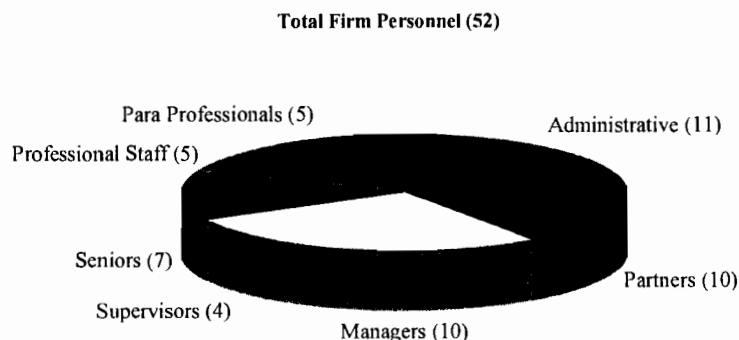
Local Firm/National Resources

CPA Associates is a Professional Limited Liability Company and is the largest and oldest CPA firm in Manatee County. The inception of our Firm can be traced to a small local firm in Sarasota over eighty (80) years ago. Since the early 1920s, our service area has continued to expand through mergers, acquisitions, and continual growth within the state. The Firm's name, as known today, was established in October 1997 after a series of well publicized mergers of long-standing local firms operating throughout Manatee and Sarasota Counties. Our Firm has been recognized as one of the twenty five (25) largest in the state of Florida by *Florida Trend Magazine*. The *Tampa Bay Business Journal* has also recognized us as the ninth (9th) largest firm in the Bay area. We are located at 1301 Sixth Avenue West, Suite 600, Bradenton, Florida, 34205-7440.

CPA Associates is an integral part of the McGladrey Network, an affiliation of over ninety five (95) independently owned and managed CPA firms who have joined together in order to strengthen their value to their clients. This affiliation gives us access to a full range of national capabilities including the resources of more than seventy (70) offices throughout the United States. In addition to being able to draw on McGladrey's experts in various disciplines, CPA Associates utilizes McGladrey quality control processes and procedures in managing its practice. This ensures that we have strict, consistent quality standards for the preparation and review of our work product.

In effect, CPA Associates offers the responsiveness of a local firm while maintaining the resources of one of the nation's largest accounting and consulting firms. This is a significant advantage that our Firm enjoys and allows our services to match, and exceed, the service levels of many other firms.

CPA Associates has ten (10) partners and forty two (42) professional staff.



Focused on the Government Industry

We are focused on your industry. As a Firm, we have been serving the audit and compliance needs of numerous governmental entities in Manatee and Sarasota Counties and throughout Florida, for more than fifty (50) years. We have assisted many clients in earning the GFOA's Certificate of Achievement for Excellence in Financial Reporting and the Association of School Business Officials' Certificate of Excellence in Financial Reporting. Two members of the Firm are GFOA reviewers for the GFOA certificate program. Our personnel have extensive experience in assisting clients in preparing governmental financial statements in conformance with GASB Pronouncements, Statements, and Interpretations, and have assisted numerous governmental entities with the implementation of these standards. Additionally, we have experience providing specialized internal audit functions for two local governmental entities, Manatee Community College and New College of Florida, where we focus on internal controls and make recommendations to strengthen processes and procedures. Our experience, insight, and vision, as auditors, enable us to augment internal control environments for these clients.

Our Firm's objective is to provide quality and timely services that exceed your expectations. We will be prepared to consult with you about your daily operations and to discuss strategic issues of importance to the City. Many times throughout the year questions arise concerning accounting procedures, benefit plans, human resource issues, budgeting, and other matters. We believe you will find it reassuring to be able to call experienced professionals and seek their advice whenever needed.

Our approach to the engagement will establish a delivery system for providing a truly exceptional level of service. Each element of that system, including team structure, staffing, audit approach, communication, and coordination, will be examined and refined to fit the needs of the City.

Currently, CPA Associates has three partners, three managers, two supervisors, and five seniors/staff that have prior experience working on governmental clients. Proposed CPA Associates' audit staff to be assigned to this engagement are listed in the Partner and Supervisory Staff Qualifications and Experience section of this proposal. As indicated in that section, we will assign two partners (one engagement partner and one concurring review partner), one supervisor, and two staff to audit the City. All staff work on a full time basis. Our Firm and staff have consistently demonstrated, "on time" or earlier, compliance with agreed upon delivery dates for annual audit engagements.

Similar Engagements with Other Governmental Entities

CPA Associates' audit staff has extensive experience in performing audits of governmental entities. We have dedicated substantial resources to our governmental practice. Services to municipalities, school districts, counties and special districts include: annual financial and compliance audits, single audits, attestations of construction reimbursement claims, accounting services, annual reports to Florida Department of Financial Services, accounting system design and implementation, special projects related to contract compliance, agreed-upon procedures and assistance in preparation of comprehensive annual financial reports for submission to GFOA for the Certificate of Achievement for Excellence in Financial Reporting. Our governmental auditing

team is well versed in preparing governmental financial statements in conformance with GASB Pronouncements, Statements and Interpretations and has assisted numerous governmental entities in implementing new standards.

During the past five (5) years, the five (5) most significant engagements performed that are similar to the engagement described in the proposal are:

Governmental Audit Clients	Financial Statement/ Yellow Book Audit	Single Audit	Internal Control Evaluation
City of Arcadia	√	√	√
City of Alachua	√	√	√
City of Bradenton	√	√	√
City of Naples	√	√	√
City of Venice	√	√	√

For each of these engagements, the following reference information is provided:

Client	Scope of Work	Date	Engagement Partners	Total Hours	Client Contact (Name/Phone)
City of Arcadia	■ Annual Financial Audit ■ Single Audit	Since FYE 1998	Tommye E. Barie William Hawthorne	450	Shelly Baumann City Recorder 863-494-2514
City of Alachua	■ Annual Financial Audit ■ Single Audit	Since FYE 2003	Tommye E. Barie William Hawthorne	475	Marcian Brown Finance Director 386-418-6165
City of Bradenton	■ Annual Financial Audit ■ Single Audit	Since FYE 1970	Tommye E. Barie Jerry D. Marlar	525	Carl Callahan City Clerk and Treasurer 941-932-9461
City of Naples	■ Annual Financial Audit ■ Single Audit	Since FYE 2006	Tommye E. Barie Jerry D. Marlar	550	Ann Marie Ricardi Finance Director 239-213-1822
City of Venice	■ Annual Financial Audit ■ Single Audit	Since FYE 1990	Tommye E. Barie Jerry D. Marlar	550	Jeffrey Snyder Finance Director 941-486-2626

We encourage you to contact these references regarding their satisfaction with services we have rendered them.

Prior Engagements with the City

CPA Associates has served as the external auditors for the City of Palmetto, Florida, for the years ending September 30, 2000 through 2008. Financial and compliance audits in accordance with *Government Auditing Standards* were performed in each of these years, and Federal and State Single Audits were performed, as required. Tommye Barie and William Hawthorne served as the principal client contacts. The average number of hours worked during the reflected time period was approximately 450 hours per year.

Quality Control, Confidentiality, and Results of Recent External Quality Control Review

CPA Associates' commitment to quality control includes using concurring technical reviewers on audit engagements, the performance of annual internal reviews, and a peer review every three years by an independent audit firm. Every three years a qualified reviewer looks at our system of quality control for accounting and auditing engagements, including a review of specific governmental engagements. Our most recent peer review in 2007, as well as all previous peer reviews, indicated that the Firm's system of quality control used in the conduct of its practice met the standards and membership requirements established by the AICPA. The Firm has always received an unmodified opinion, the highest awarded, for our quality control system. A copy of our most recent peer review is presented in Appendix F for your review.

Our Firm has two partners that between them have over 12 years of experience as members of either the AICPA or FICPA peer review acceptance committees. Our Firm has performed over 100 peer reviews on other firms. Confidentiality has been a cornerstone to building client confidence and trust over the last 80 years. It is a quality we expect and demand from our staff.

It is Firm policy that all confidential client matters becoming known to a Firm employee must be held in strict confidence. Employees must not discuss confidential matters or release confidential information to any outside party (insurance representative, attorney, banker, broker, agent, family member, friend or any individual other than the individuals authorized to discuss the confidential matter) without express knowledge and permission of the client. Outside parties who insist on knowing confidential information should be directed to management of the client. Confidentiality has been a cornerstone to building client confidence and trust over the last 80 years. It is a quality we expect and demand from our staff.

Results of Federal or State Desk Reviews

Collectively, over the most recent ten years, we have submitted audit reports numbering in the hundreds, which have been reviewed by the Auditor General, Federal cognizant agencies, and various State agencies. We have not been informed of any deficiencies resulting from desk reviews of any of our governmental audits.

Statement of Disciplinary Actions

CPA Associates and the professional staff associated with it have never had any disciplinary action taken against them, nor are we aware of any pending actions.

Litigation

CPA Associates is not currently involved in any litigation. CPA Associates had one case of litigation within the last three years, in which a plaintiff alleged damages as a result of tax advice. After a review of the allegations and facts, CPA Associates denied all substantial points in the claim, and was granted a summary judgment for dismissal at the first review of our motion by the Court.

PARTNER AND SUPERVISORY STAFF QUALIFICATIONS AND EXPERIENCE

General Qualifications

Resumes of the proposed principal supervisory and management audit team members are presented on pages 11-17. They include:

- | | |
|-----------------------------|---------------------------|
| ➤ Engagement Partner | Tommye E. Barie, CPA |
| ➤ Concurring Review Partner | William H. Hawthorne, CPA |
| ➤ Engagement Supervisor | Sean Gingras, CPA |
| ➤ Engagement Staff | David Cumberland, CPA |
| ➤ Engagement Staff | Alisha Watterson |

The proposed partners and supervisor are licensed to practice as certified public accountants in Florida. Two staff members will be assigned to assist the principal management and supervisory team listed above. One is licensed to practice as a certified public accountant in Florida and one is currently sitting for the CPA exam. All engagement staff have met the continuing education requirements set forth by the standards. In addition, key resource personnel will be utilized as needed for consultation on accounting, auditing, compliance and reporting issues.

The Firm and/or its partners and other key professional staff are members of the American Institute of Certified Public Accountants (AICPA), Florida Institute of Certified Public Accountants (FICPA), Government Finance Officers Association (GFOA), and Florida Government Finance Officers Association (FGFOA). One member of your proposed engagement team is now serving as a reviewer for the GFOA Certificate of Achievement Program for local governments. The members of the Firm include a past president of the Florida Institute of Certified Public Accountants (FICPA) and eight past presidents of the FICPA Gulf Coast Chapter (each of whom has also served on the FICPA Board of Governors). Members of the Firm have served on various FICPA and AICPA Committees. By being active within our profession as described above, we have made valuable contacts within the state legislative process, FICPA, AICPA, GFOA, and FGFOA whom we can call upon should situations we encounter require consultation.

Additionally, CPA Associates is a member of the AICPA Governmental Audit Quality Center (GAQC). The GAQC is designed to help CPA firms achieve the highest professional standards in performing quality governmental audits. The GAQC is a forum for sharing and learning about best practices, as well as obtaining education on various audit, accounting, and regulatory issues. By joining the GAQC, we have demonstrated our commitment to quality in the performance of governmental audits.

We continually attend educational courses to augment and improve our level of expertise and encourage partners and staff to become active in professional organizations such as FGFOA, GFOA, FICPA, and AICPA committees which affect the governmental industry. Several members of our audit team are members of the GFOA and/or the FGFOA and participate in their conferences. We are not "part-time" governmental auditors, nor do we view governmental engagements as fill-in work.

The high quality of our client service team separates us from the competition. You can be assured high quality of staff throughout the length of this contract because our professionals want to service organizations similar in size and scope to yours and have the experience and knowledge necessary to respond to your needs. In addition, because we live our internal philosophy to be one of the best places to work in our industry, our turnover rate is less than other organizations, which means that the City will have the continuity of staff that it needs. Also, our partners, managers and supervisors are very involved in the audit process and they will thoroughly understand the City—your processes, your programs and your strategy for the future.

We feel that our professional staff has the experience and technical qualifications to do a superior job in providing timely audit services for the City and can match, if not exceed, any other proposals considered. Our general philosophy is to avoid rotating our staff on audit engagements unless it is the client's policy or rotation is required by statutes or rules. We anticipate that the team assigned to serve you today will still be serving you years from now. With cooperation from City personnel, we have the ability to deliver the final signed audit report in accordance with a deadline established by the City and CPA Associates personnel.

Continuing Education Compliance

Government Auditing Standards, known as the "Yellow Book," require that "auditors responsible for planning, directing, conducting or reporting on government audits should complete, every two years, at least 80 hours of continuing education and training which contributes to the auditor's professional proficiency. At least twenty (20) hours should be completed in any one (1) year of the two (2) year period. Individuals responsible for planning, directing, conducting substantial portions of the field work or reporting on the government audit, should complete at least twenty four (24) of the eighty (80) hours of continuing education and training in subjects directly related to the government environment and to government auditing." CPA Associates has established and implemented programs to ensure that its auditors meet and exceed the continuing education and training requirements stated above to ensure they are proficient in the appropriate accounting principles and standards and in government auditing. In addition, CPE records are reviewed by an outside peer reviewer every third year.

As part of our continuing education program, our Firm annually sponsors and provides at least sixteen (16) hours of in-house governmental accounting and auditing continuing education. In addition to CPA Associates personnel attending, we invite employees of our governmental clients to attend as our guests at no additional charge. We recognize the importance of educating our personnel, as well as our clients, on new developments within the governmental industry and new standards requiring implementation.

❖ TOMMYE E. BARIE, CPA – ENGAGEMENT PARTNER

Experience

Ms. Barie has provided auditing and consulting services to eleven (11) municipalities, three (3) counties and numerous educational institutions and special districts. She has been preparing governmental financial statements and providing assistance to clients in obtaining and maintaining the Certificate of Achievement for Excellence in Financial Reporting for many years. In addition, she provides consulting services in the area of internal control assessments. She is active in various professional associations and is a past president and past member of the Board of Governors of the Florida Institute of Certified Public Accountants. Ms. Barie currently serves as a member of Council, Chairman of the National Accreditation Commission and a member of the Strategic Planning Committee of the American Institute of Certified Public Accountants. Additionally, Ms. Barie serves as a member of the GFOA Special Review Committee for the Certificate of Achievement for Excellence in Financial Reporting. Serving in these capacities returns value to the profession and provides excellent current knowledge of accounting and auditing issues.

Governmental Audit Experience

City of Palmetto	Trailer Estates Park and Recreation District
City of Alachua	Bayshore Gardens Park and Recreation District
City of Arcadia	Central Community Redevelopment Agency
City of Bradenton	Bradenton Downtown Development Authority
City of Fort Pierce	School District of Manatee County
City of Marco Island	Manatee School for Arts and Sciences, Inc.
City of Naples	Sarasota School for Arts and Sciences, Inc.
City of North Port	Student Leadership Academy of Venice, Inc.
City of Stuart	Sarasota Military Academy, Inc.
City of Venice	New College of Florida
City of Vero Beach	Manatee Community College
Sarasota County	Fort Pierce Utility Authority
St. Lucie County	School District of Martin County (Internal Accour
Indian River County	

Education

Bachelor of Business Administration with Major in Accounting from Stetson University

Continuing Professional Education During the Past Three Years

5/09	Governmental Entities Update	16
3/09	Internal Control Consider Single Audit	2
1/09	Understanding FIN 48	2
9/08	AICPA Forensic Accounting Conference	18

8/08	A & A Leadership Roundtable	16
7/08	Internal Controls	2
7/08	MP Audit Forms/Tools Best Practice	2
6/08	Forum, Implement Audit Risk Standard	2
5/08	Government and NFP Organizations	16
4/08	Government Audit Quality	2
7/07	M&P Audit Methodology	16
5/07	Government and NFP A & A Update	8
5/07	Fraud in Government and NFP Organizations	8

Professional

Certified Public Accountant, State of Florida

American Institute of Certified Public Accountants

Past Council Member and Past National Accreditation Commission Commissioner

Nominations Committee, Strategic Planning Committee

Government Finance Officers Association

Member, Special Review Committee for Certificate of Achievement for Excellence in Financial Reporting

Florida Government Finance Officers Association

Florida Institute of Certified Public Accountants

Past President

Board of Governors, Past Member Executive Committee

Past Member Finance and Office Advisory Committee, Past Regional Vice President

Civic

United Way, Manatee County, Board member

United Way of Sarasota County, Past Fund Allocation Panel member

American Red Cross, Past treasurer and board member

United Way, Indian River County, Past Fund Allocation Panel Chairman

Exchange Club, Past president

Education Foundation of Indian River County, Past board member

❖ WILLIAM H. HAWTHORNE, CPA

CONCURRING REVIEW PARTNER

Experience

Mr. Hawthorne has extensive audit and accounting experience, including governmental, not-for-profit organizations, and various business entities. He is active in various professional associations and has served as the Regional Vice President and member of the Executive Committee of the Florida Institute of Certified Public Accountants (FICPA) and as a member of the Professional Ethics Subcommittee of the AICPA. He is the past president of the Gulf Coast Chapter of the FICPA. He is also a past member of the PCPS Peer Review Committee. Serving on these committees returns value to the profession and provides excellent current knowledge of accounting and auditing issues.

Governmental Audit Experience

City of Palmetto	Trailer Estates Park and Recreation District
City of Marco Island	Bayshore Gardens Park and Recreation District
City of Alachua	Central Community Redevelopment Agency
City of Arcadia	Bradenton Downtown Development Authority
City of Bradenton	School District of Manatee County
City of North Port	Manatee School for Arts and Sciences, Inc.
City of Venice	Sarasota School for Arts and Sciences, Inc.
Sarasota County	Student Leadership Academy of Venice, Inc.
Manatee Community College	Sarasota Military Academy, Inc.
New College of Florida	

Education

Bachelor of Science with a Major in Accounting from Jacksonville University

Continuing Professional Education During the Past Three Years

5/09	Governmental Entities Update	16
1/09	Understanding FIN 48	2
7/08	MP Audit Forms/Tools Best Practice	2
5/08	Government and NFP Organizations	16
1/08	Audit Update	1
7/07	M&P Audit Methodology	16
5/07	Government and NFP A & A Update	8
5/07	Fraud in Government and NFP Organizations	8
1/07	Risk Assessment Standards Overview	2

Professional

Certified Public Accountant, State of Florida
Florida Institute of Certified Public Accountants
 Past president of the Gulf Coast Chapter
 Past Regional Vice President
 Past member of the Executive Committee
 Past member of the PCPS Peer Review Committee
American Institute of Certified Public Accountants
 Past member of Professional Ethics Subcommittee

Civic

Blake Medical Center, Board of Trustees
Manatee Community College Foundation
Manatee Chamber of Commerce
Member Economic Development Committee
Bradenton Civitan Club
 Board of Directors
 Civitan of the Year, 1973-1974
Manatee Community Concert Association, Founding Member and Treasurer, 1981-1992
Florida West Coast Symphony Association, Board of Directors, Treasurer
Manatee Symphony Guild, Past President

❖ SEAN GINGRAS, CPA – ENGAGEMENT SUPERVISOR

Experience

Mr. Gingras has over four (4) years of accounting and auditing experience, including not-for-profit and governmental entities. He has gained significant experience working with various governmental computer systems as well as audit applications. Mr. Gingras is proficient in using clients' general ledgers for query and document retrieval purposes.

Audit Experience

City of Palmetto	EDC of Sarasota County, Inc.
School District of Manatee County	Asolo Theatre
City of Marco Island	United Way of Sarasota County, Inc.
City of Naples	Girls Incorporated of Sarasota County
City of Venice	Manatee County Girls Club, Inc.
Boys & Girls Clubs of Manatee County, Inc.	Manatee County Girls Club Foundation, Inc.
Foundation for Boys & Girls Clubs, Inc.	Greater Sarasota Chamber of Commerce
American Accounting Association	Junior League of Manatee County, Inc.

Education

Bachelor of Science in Accounting from University of Florida
Masters of Science in Accounting from University of Central Florida

Professional

Certified Public Accountant, State of Florida
Florida Government Finance Officers Association
American Institute of Certified Public Accountants
Florida Institute of Certified Public Accountants
Young Professionals of Manatee County

Continuing Professional Education During the Past Three Years

6/09	FGFOA 2008 Annual Conference	18
5/09	Governmental Entities Update	12
1/09	Understanding FIN 48	2
7/08	MP Audit Forms/Tools Best Practice	2
6/08	Construction Industry	8
6/08	NFP Org Conference	16
5/8	Accounting and Auditing Update; Ethics	8
5/08	Government and NFP Organizations	16
7/07	M&P Audit Methodology	16
5/07	Government and NFP A & A Update; Fraud in Gov & NFP	16
5/07	FGFOA 2007 Conference	22

❖ DAVID CUMBERLAND, CPA – ENGAGEMENT STAFF

Experience

Mr. Cumberland has over eighteen (18) years of operational management experience in both private and Fortune 500 companies. He has been instrumental in both the design of and monitoring of internal control systems for the companies he has worked for. His auditing experience has focused on governmental entities. He has gained experience working with various computer systems as well as audit applications. Mr. Cumberland is competent in using clients' general ledgers for query and document retrieval purposes.

Audit Experience

City of Palmetto
City of Bradenton

Education

Bachelor of Arts in Accounting from University of South Florida

Professional

Certified Public Accountant, State of Florida
American Institute of Certified Public Accountants, member
Florida Institute of Certified Public Accountants, director of Gulf Coast Chapter
USF S-M Accounting Advisory Council, member

Civic

Gulf Coast Latin Chamber of Commerce, Director
Society of Leadership and Success, Mentor to USF S-M chapter
American Mensa, Member

Continuing Professional Education During the Past Three Years

5/09	Fraud Examination & Offshore Asset Protection	2
5/09	Governmental Update	16
3/09	IFRS Update / Survey Results Coverage	1
2/09	Field of Accounting Update, Latest News	2
1/09	Understanding FIN 48	2
1/09	2008 Federal Income Tax Update	8
1/09	Tax Training	32
1/09	Tax Training	3
10/08	Legislative Update	2

❖ ALISHA WATTERSON – ENGAGEMENT STAFF

Experience

Ms. Watterson is a staff auditor in the Audit Department of CPA Associates and has two (2) years of auditing experience in a broad array of industries. The majority of her client service time at CPA Associates is in the not-for-profit and governmental area. Ms. Watterson has provided services to numerous not-for-profit organizations, including professional service organizations, colleges, cities, counties, cultural organizations, community associations, private clubs and other entities.

Audit Experience

City of Palmetto	Manatee County Family YMCA, Inc.
City of Arcadia	Greater Sarasota Chamber of Commerce
City of Bradenton	EDC of Sarasota County
City of Marco Island	Boys & Girls Club of Manatee County, Inc.
City of North Port	Foundation for Boys & Girls Clubs, Inc.
City of Venice	American Accounting Association
New College of Florida	Asolo Theatre
	Manatee Community College

Education

Bachelor of Accounting from University of Rio Grande, Ohio.

Civic

Parrish United Methodist Church, Treasurer

Continuing Professional Education During the Past Three Years

1/09	Understanding FIN 48	2
12/08	Auditing Level 1	10
5/08	Accounting and Auditing Update	4
5/08	Government and NFP Organizations	16
2/08	2007 Tax Update	8

IDENTIFICATION OF ANTICIPATED POTENTIAL AUDIT PROBLEMS

We do not anticipate any problems performing the audit for the City of Palmetto, Florida. However, matters may arise from time to time and we will deal with them promptly. Your engagement team includes partners and a supervisor that have extensive governmental audit experience. Decisions on technical issues will be made quickly. Research of applicable professional standards can be accomplished on site through our internet connection with CCH Accounting Research Manager, which provides access to all AICPA, GASB, GAO and OMB literature. By performing reviews as each section of the audit process is completed, we can address issues as they arise and avoid unwanted surprises at the end of the engagement.

Should we encounter any irregularities or illegal acts during the performance of the audit, we agree to make an immediate written report of all irregularities and illegal acts or indications of illegal acts, of which we become aware to the following parties:

- Deputy Clerk of Finance
- City Clerk
- Mayor

We agree to ensure that the City Commission is informed of each of the following:

- Our responsibility under generally accepted auditing standards;
- Significant accounting policies;
- Management judgments and accounting estimates;
- Significant audit adjustments;
- Uncorrected misstatements;
- Disagreements with management;
- Management consultations with other accountants;
- Major issues discussed with management prior to retention;
- Difficulties encountered in performing the audit; and
- Significant deficiencies and material weaknesses.

SPECIFIC AUDIT APPROACH

Our mission is to provide our clients with the highest quality accounting, auditing and consulting services available and to deliver those services in a timely, professional and personalized manner to meet the special needs and exceed the expectations of each individual client.

We will follow a risk based approach based on the COSO (Committee of Sponsoring Organizations of the Treadway Commission) framework and as required under the Risk Based Standards as mandated under Statements of Auditing Standards (SAS) Nos. 104-111. We build our test plan by identifying the risks concerning each opinion unit and the significant accounts and transactions inherent in the year ended financial statements.

We will utilize a comprehensive set of audit programs that are customized for the particular risks and requirements of the City of Palmetto. These audit programs cover key areas relating to government auditing. The programs are designed to increase audit efficiency by linking financial statement assertions, audit objectives and procedures that are basic to most government audit engagements.

As part of our audit planning process for individual engagements, each of the audit programs are viewed and customized based on the unique needs of each government entity that we audit. Behind each set of basic procedures are additional procedures that may be necessary on some engagements. Each audit program also includes practical considerations designed to provide useful advice that auditors should consider in applying specific audit steps.

Audit Planning

Our audit engagement will be planned in such a way that we maximize the efficiency in the use of human resources, both the Proposer's and the City's. Accordingly, our plan is designed in a manner so that the time necessary to accomplish each audit task is used as effectively as possible. Our audit strategy consists of using a significant percent of the budgeted time up front or during a preliminary audit phase or "interim field work" performed two to four months before year end. During this time we obtain an understanding of each of the components of internal control sufficient to plan the actual audit of financial statements, including control environment, risk assessment, information and communication, monitoring and control activities. During interim field work internal controls are also tested.

Our goal is to complete the audit as efficiently as possible. We believe there are many variables that make an audit efficient including: communication between all parties involved with the audit, proper planning and both the organization and the auditors being prepared when field work commences. We truly believe that planning the job is one of the most important parts of making an audit successful. We will have a planning session with our staff to identify the audit procedures we will complete for the audit.

Planning for the audit will include three distinct objectives, including understanding the processes, assessing risk and the development of materiality. Through meeting these three objectives we will be able to build a comprehensive audit plan which should reduce the risk of misstatement in the financial statements.

▪ **Understanding of Processes**

One of the planning objectives in building our audit plan is to understand the City's policies and procedures. The ultimate goal is to reach a conclusion on the critical processes in meeting compliance requirements and building the financial statements to be audited. The Team will perform inquiries of the association personnel, update policies and documentation.

▪ **Risk Assessments**

During the planning stages and throughout the audit, we also identify the external and internal pressures and risks influencing the City's day-to-day operations and future goals.

We utilize a multi-faceted approach in identifying significant audit risk areas. Some of the components in our risk identification process include:

- Principal-led fraud risk discussion with the audit team, as required by SAS No. 99;
- Analysis of preliminary financial statements, prior to commencing audit field work;
- Planning meetings with management (including SAS 99);
- Reading minutes of meetings;
- Level of management controls, whether these controls are centralized or decentralized;
- Evaluation of key controls and performance of walk-through or tests of controls in accordance with SAS Nos. 104-111.

▪ **Development of Materiality**

The concept of materiality focuses our attention on areas that are significant to the financial statements. In this manner we utilize a "top down" risk assessment that provides us with the basis for determining the most effective audit testing plan. In our assessment, we consider quantitative materiality factors such as:

- Materiality of individual account balances or classes of transactions;
- Degree of risk of loss or error, e.g., complex transactions.

We also consider qualitative materiality factors such as:

- Inherent complexities of operations;
- Inherent risks related to control risks associated with account balances and transactions;
- Status of changes in financial systems;
- Nature and degree of centralization of key functions;
- Industry, economic, political and regulatory environment;

- Public scrutiny and effect on operations;
- Needs and concerns of management.

Proposed Segmentation of the Engagement

Our professionals, who are knowledgeable with respect to audit requirements for governmental entities will be assigned based on their expertise with respect to each segment. Our audit procedures, related documentation and our quality review will be segregated by each segment as follows:

Segment I: Orientation, Preliminary Planning and Internal Control Evaluation
Segment II: Completion of Engagement Planning Procedures
Segment III: Year End Procedures
Segment IV: Review Process
Segment V: Wrap Up

Segment I: Orientation, Preliminary Planning and Internal Control Evaluation

Our work will include the following procedures:

- Reviewing previously issued and interim financial reports, comment letters and supporting work papers;
- Updating the City's accounting policies and procedures, including the financial and other management information systems utilized by the City;
- Reviewing the City's current year budget, as adopted and revised;
- Familiarizing ourselves with any updates to the organizational chart of the City;
- Meeting with the appropriate City personnel to confirm the timing of our work and review the preparation of schedules so that disruption of day-to-day operations can be minimized;
- Performing analytical reviews to determine critical areas and assess risks;
- Updating our in-depth knowledge of the EDP equipment, software and systems in use through review of our computer control evaluation;
- Performing a preliminary evaluation of the internal control structure at the account and assertion level;
- Determining if critical risk can be assessed below the maximum;
- Designing and performing applicable tests of controls;
- Determining risks of material misstatement.

Segment II: Completion of Engagement Planning Procedures

This segment includes:

- Assessing audit risk;
- Obtaining a list of cash, investments, receivables, debt and selected revenue accounts for confirmation purposes;
- Preparing year end audit programs;
- Meeting with appropriate personnel to discuss the status of the audit and preliminary findings;
- Reviewing work papers to ensure quality and thoroughness of planning work performed;
- Determining audit strategies for operating statement accounts;
- Determining audit strategies for balance sheet accounts.

Segment III: Year End Procedures

Year end procedures include:

- Obtaining a completed schedule of Federal awards expended and State financial assistance expended
- Confirming cash, investments, receivables, debt and selected revenue accounts;
- Testing valuation of cash and investments;
- Reviewing cut-off of receivable balances and test amounts recorded;
- Testing cut-off and valuation of inventory, (if material);
- Conducting an analytical review of account balances;
- Reviewing calculations for doubtful accounts, prepayments and accruals;
- Vouching property and CIP additions and analyzing changes for appropriate accounting;
- Testing depreciation and debt covenant compliance;
- Testing accounts payable cut-off through analysis of disbursements;
- Testing of compliance with applicable regulations;
- Testing classification of net assets (unrestricted vs. restricted) and fund balances (reserved vs. unreserved);
- Completing additional audit procedures as required by Federal and Florida Single Audit Acts;
- Comparing financial statements and related notes to audited amounts.

Segment IV: Review Process

The review process includes:

- Reviewing work papers to ensure quality and thoroughness of audit procedures;
- Summarizing results of audit procedures;
- Obtaining attorney letters;
- Proposing audit adjustments;
- Evaluating compliance exceptions;
- Summarizing and evaluating passed audit adjustments;

- Evaluating commitments, contingencies and subsequent events;
- Reviewing financial statistics including footnote disclosures and supplementary information;
- Preparing drafts of reports, including applicable internal control structure and compliance reports and letters;
- Delivering drafts of financial statements, reports and letters to appropriate client officials.

Segment V: Wrap Up

Wrap up procedures include:

- Preparing representation letter;
- Obtaining signed representation letter and approval from client of financial statements;
- Finalizing reports and management letter;
- Delivering final financial statements, reports and letters to client;
- Exit conferences with appropriate City officials.

Staffing of Each Segment

The proposed staffing for each segment of the audit is as follows:

	<u>Partners</u>	<u>Supervisor</u>	<u>Staff</u>	<u>Total</u>
Segment 1	4	60	40	104
Segment 2	8	60	8	76
Segment 3	-	20	100	120
Segment 4	30	100	-	130
Segment 5	4	16	-	20
	<u>46</u>	<u>256</u>	<u>148</u>	<u>450</u>

Use of Analytical Procedures

Our audit approach requires the use of analytical procedures to assist in planning the nature, timing and extent of other auditing procedures. The primary focus of analytical procedures employed at the planning stage is the identification of specific risks or errors in the financial statements or of compliance violations. By considering unusual or unexpected balances or relationships, analytical procedures help direct our attention to areas with the highest potential for material misstatement. Preliminary analytical procedures may also identify unfavorable trends or other matters.

Analytical procedures may include the following:

- Comparison of original budget to actual;
- Comparison of current year actual to prior year actual;
- Evaluation of preliminary expectations based on budgets and forecasts;

- Consideration, to the extent applicable, of key financial relationships in relation to preliminary expectations to determine if there are unusual or unexpected balances or unexpected relationships.

Consideration of other ratios or relationships may be necessary, to provide us with sufficient information to identify significant risks of material misstatements in the financial statements. In addition, consideration of non-financial data often may be important in identifying matters that require further investigation.

Evaluation of Basic Internal Controls and Critical Accounting Routines

The purpose of this evaluation is two fold. We will make an early determination, by transaction cycle, as to the potential for reliance on the system of internal accounting control to limit the extent of substantive tests and we will assess your controls to identify redundant controls that may be resulting in inefficiencies and misdirection of your resources. Basic controls are the foundation of an entity's internal controls.

Critical accounting routines refer to certain procedures in each cycle whose objective is to provide, on an overall basis, reasonable assurance that processed transactions and the related balances are accurate and/or complete. The reconciliation of a subsidiary ledger to the general ledger control account is a typical example of a critical accounting routine designed to assure the completeness of the recorded balances in the general ledger.

If basic controls and critical accounting routines are adequate to support reliance on those controls in order to reduce substantive tests of details and we determine that reliance would be cost justified, we would perform compliance tests of those controls to determine that they are functioning as described. Since these controls are fundamental to all systems of internal accounting control, if we determine that they are inadequate, we would design our substantive tests of details assuming no reliance on internal accounting controls.

Evaluation of Procedural Controls

Building an adequate foundation of basic controls, procedural controls are designed to establish internal accounting controls over the processing of specific transactions. They are designed to achieve specific control objectives. Every transaction must be authorized, initiated, executed and recorded. Procedural controls should provide reasonable assurance that:

- Each transaction is properly authorized before it is executed or recorded;
- Each authorized transaction is executed and recorded;
- Errors in execution or recording are detected and corrected on a timely basis;
- Accountability for each executed transaction and the related assets is established and maintained.

We would identify, document and evaluate procedural controls and if we determine that reliance on these controls to reduce substantive tests of details would be cost-justified, we would perform compliance tests of these controls to determine they are functioning as prescribed.

Fraud Related Audit Pronouncement: SAS 99

Statement on Auditing Standards (SAS) 99, Consideration of Fraud in a Financial Statement Audit, became effective for audits of financial statements several years ago. The requirements and guidance set forth in this Statement are designed to expose fraud. As part of our audit procedures, we will:

- Obtain information necessary to identify the risk or material misstatement due to fraud;
- Use the information gathered to identify risks that may result in material misstatement due to fraud;
- Assess the identified risks after taking into account an evaluation of the entity's programs and controls;
- Respond to the results of the assessment;
- Evaluate audit evidence;
- Communicate about fraud to management, the audit committee and others;
- Document our consideration of fraud.

Audit Sampling Approach

We follow the guidance of SAS No. 39 *Audit Sampling* in using a non-statistical approach. Audit sampling will normally be used in audits to perform the following tests:

- Compliance tests of internal accounting control procedures that we plan to rely on in restricting the scope of planned substantive tests;
- Substantive tests as part of the audit of the City's financial statements;
- Substantive tests of compliance with laws and regulations for the purpose of reporting on compliance with laws and regulations as they relate to the schedule of Federal and State financial assistance.

Sample Selection and Sizes

Sample selection and sample sizes will vary from year to year based on the internal control, compliance provision, or account balance being tested. Evidential matter obtained in a prior year audit about the operating effectiveness of a particular internal control policy or procedure may be considered by the engagement team in determining the sample size necessary to test the application of that policy or procedure in the current year audit. The decision about the degree of assurance from evidential matter obtained in prior audits to support the assessed level of control risk in the current audit will be based on changes in the design of the particular internal control policy or procedure, adverse conditions which may affect how the policy or procedure is being applied in the current year and the existence of related control policies and procedures that reinforce the continued effective operation of the particular policy or procedure.

Selection and Execution of Audit Strategies

Comparison of balances, ratios or relationships that result in significant unexplained variances from our preliminary expectations must be considered in selecting appropriate audit strategies for the account balances and/or classes of major transactions involved. Unexplained variances may also cause us to apply planned procedures closer to the balance sheet date. For example, holding other considerations equal, unexplained variances may cause the auditor to:

- Use an audit strategy, which involves testing the details of the account balance or class of major transactions with respect to the audit assertions affected by the unexplained variances;
- Reduce the scope used for selecting items for testing;
- Increase the extent of sampling.

We will be satisfied that all such variances have been adequately investigated and evaluated at the conclusion of the audit.

Determining Rules, Regulations and Guidelines

Our audit procedures will be designed to identify and test those transactions and activities that are likely to have a financial impact on the City's basic financial statements and to determine whether they were carried out in accordance with the provisions of laws, rules, regulations, contracts and guidelines. Our reports will note instances of noncompliance that could have a direct and material effect on the City's financial statements. The nature and extent of our compliance tests are derived from the following:

- Results of our analysis of internal control over compliance matters;
- Review of bond documents;
- Correspondence with Federal and State agencies;
- Review of City agreements;
- Review of City internal policies;
- Review of City ordinances and resolutions;
- Florida Statutes;
- Grant agreements;
- AICPA Statements of Position and Statements on Auditing Standards;
- Other applicable professional standards and guidance.

Staff Rotation

It is our Firm policy to assign staff to an engagement in an objective manner in order to achieve a proper blend of competencies, supervision, staff utilization, staff on-the-job training, and client satisfaction. Due to efficiencies obtained through years of service to a client from the both the client perspective and the Firm perspective, staff rotation is usually kept to a minimum barring some unforeseen circumstance. However, members of the engagement team can be changed at the request of the City. Due to the depth of our staff with governmental experience, our Firm has the capabilities of rotating staff should the client elect.

Time of Performance

Prior to the start of the engagement, we will schedule an entrance conference with the City's management to discuss possible audit issues, establish an overall liaison for the audit and make arrangements for workspace and other needs. Additionally, management will be kept up to date on the status of the audit and required reports during the course of the engagement.

In order to accomplish our audit objectives and meet your deadlines for delivery, the sequence and timing of our procedures are critical. We will provide the City with a detailed plan covering year end audit procedures for the fiscal year ending September 30, 2009, soon after being notified that we have been re-selected as your auditors. All interim and year-end field work will be performed at mutually agreed upon dates. Interim fieldwork will be performed prior to September 30 and year-end audit will be performed subsequent to September 30, concluding with the delivery of all reports required by generally accepted auditing standards, *Government Auditing Standards*, and the Federal and State Single Audit Acts, as well as the management letter.

Timing	Activity
August	At mutually agreed upon dates, we will conduct an entrance conference and perform interim fieldwork procedures to include: updating internal control documentation and assessments, reviewing minutes and major contracts/agreements, reviewing major transactions, determining Federal and State award compliance requirements and initiating tests, updating EDP review, performing a final control risk assessment, determining specific audit procedures, providing the finance department with the audit plan and a listing of audit schedules required and conducting progress conferences with key finance personnel.
Subsequent to September 30	At mutually agreed upon dates, we will commence audit fieldwork, execute the detailed audit plan, and conduct progress conferences with key finance personnel.
February	Review draft financial statements, notes and schedules, as well as provide drafts of the auditor opinions, required reports, and management letter.
March	Deliver the final management letter, financial statements, and all other deliverables, including the audit report, other reports required by Governmental Auditing Standards and the Federal and/or State Single Acts, and communication to the governing board.
Prior to March 31	Presentation to the City Commission by the Engagement Partner and Engagement Supervisor.

FIRM'S CURRENT WORKLOAD AND BID AMOUNT

Workload

The extensive experience of our staff and low turnover in personnel create stability that will provide continuity and enable us to execute our audit processes from year to year with little disruption to your day-to-day operations. We understand the need to provide continuity in the client service team that works with our clients. Therefore, barring unforeseen circumstances, we will retain the proposed engagement team on all future engagements. We realize the investment our clients make over time to help us better understand their organization, people, and goals. Like your investment in us, we invest our people in you.

CPA Associates has the resources and means to provide you with exceptional service. We have in excess of 65,000 budgeted professional hours for 2009, which we believe is adequate to service you without disruption to our Firm and provide you with the attention you deserve. The current workload of staff assigned to this proposed engagement was considered when assigning them to specific segments of the audit of the City of Palmetto, Florida, so that time commitments are manageable and do not conflict with other assignments. However, as previously noted in this proposal, CPA Associates has substantial resources in the three partners, three managers, two supervisors and five senior/staff that have extensive governmental experience, so that we can provide the City with exceptional and timely audit services.

Bid

The proposed fee for completing the annual examination of the financial statements is as follows:

Year ended September 30, 2009	<u>\$ 49,500</u>
Year ended September 30, 2010	<u>\$ 50,000</u>
Year ended September 30, 2011	<u>\$ 50,500</u>

For years where State and/or Federal Single Audits are required, the additional fee will be \$4,000 per major program.

Our policy is to be open and frank on the subject of our fees. We are always prepared to discuss or explain our fee estimates or bills in as much detail as desired. We are very willing to discuss with you these fees and ways of reducing them. Out of pocket expenses (such as transportation, onsite visits, visitations with staff, general and administrative costs, per diem and travel expenses) are included in the above fee. The actual fees billed will not exceed the amount estimated above unless unanticipated changes in the scope of our work are required due to: (i) a change in the operating size of the organization, (ii) a change in applicable laws, regulations or

generally accepted auditing standards as applied in the United States, (iii) new accounting standards are issued that have a significant effect on your organization and/or (iv) the incomplete or untimely receipt by us of the information on the client participation list which significantly affects our ability to perform our audit procedures on a timely and efficient basis. Should any of these situations arise, we will communicate with you on a timely basis to resolve any additional work and related fees to the mutual satisfaction of both parties. All provisions of this letter will survive any fee adjustment.

Our fees are based on the time required by the individuals assigned to the engagement. Interim billings will be submitted as work progresses and as expenses are incurred. Billings are due upon submission and will cover a period of no less than one calendar month. We understand that final payment will be made upon delivery of our report.

The Firm has the following management tools and processes in place to prevent cost overruns and to ensure on time delivery of all audit and professional services.

- Well developed technology tools that are updated daily to track time, engagements, and projects by client and by staff.
- Periodic partner and manager review of scheduling matrix.
- Regularly scheduled engagement team member meetings to assess the progress on engagements.
- Consistent and direct involvement of the partner throughout the engagement to more rapidly resolve issues that may hinder progress.
- Communication with client personnel as issues arise so they are resolved in a timely manner.

Additional Services

We understand that the City of Palmetto, Florida, may require additional services during the contractual period covered by this agreement. CPA Associates is agreeable to additional services at mutually agreed upon fees negotiated at the time of the engagement at the rates established as follows:

<u>Level</u>	<u>Experience</u>	<u>Hourly Billing Rate</u>
Partner	more than 20 years	\$ 200
Manager	more than 10 years	150
Supervisor	more than 5 years	125
Senior	3-5 years	110
Staff	1-3 years	100
Administrative		50

APPENDIX A

Proposer's Certification

The Proposer's Certification Form is attached.

PROPOSERS CERTIFICATION

STATE OF FLORIDA

COUNTY OF MANATEE

I, Tommye E. Barie, of CPA Associates (name of company),
proposing to furnish the following described materials, equipment, and/or services to the City of Palmetto
(the "CITY") _____

HEREBY CERTIFIES THAT:

1. Bidder/Proposer has thoroughly inspected the specifications or request for proposal and understands the terms and conditions thereof and they are incorporated by reference in the bid or proposal for said goods or services, and have verified measurements, if applicable.
2. The bid or proposal is firm and binding and shall be valid for not less than sixty (60) days from the date of bid opening. A longer time may be set out in the bid, the proposal, or as negotiated between the Bidder/Proposer and the CITY.
3. The bid or proposal is made by a person authorized to bind the Bidder/Proposer.
4. The bid or proposal is made without unlawful collusion between another Bidder/Proposer or potential Bidder/Proposer, or with any officer or employee of the CITY.
5. The bid or proposal is in full compliance with the Copeland Anti-kickback statute.
6. The bidder does not discriminate on the basis of race, color, national origin, sex, religion, age, or handicapped status in employment or in the provision of services.

Tommye E. Barie

Print Name: Tommye E. Barie

STATE OF FLORIDA

COUNTY OF MANATEE

The foregoing instrument was acknowledged before me this 17th day of JUNE, 2009,
by TOMMYE E. BARIE, as DIRECTOR OF ADMINISTRATION (title) of CPA
ASSOCIATES (name of company), on behalf of CPA ASSOCIATES (type of entity).

☒ who is personally known to me,
☐ who produced _____ as identification, who did take an oath, and who
acknowledged before me that he executed the same freely and voluntarily for the purposes therein expressed.

(Notary Seal)



Rachel Keener

Signature
RACHEL O. KEENER

Print Name
NOTARY PUBLIC-STATE OF FLORIDA
My Commission Expires: 8-18-2011
Commission No. DD 678558

APPENDIX B

No Lobbying Affidavit

The required No Lobbying Affidavit Form is attached.

NO LOBBYING AFFIDAVIT

STATE OF FLORIDA
COUNTY OF MANATEE

This, 17th of June, 2009, Tommye E. Barie, CPA
being first duly sworn, deposes and says that he or she is the authorized representative of
CPA Associates
(Name of the authorized contractor, firm or individual), maker of the attached request for proposal
released by the City of Palmetto, and that the proposer and any of its agents agrees to abide by the City of
Palmetto's no lobbying restrictions in regards to this solicitation.

Tommye E. Barie
Affiant

The foregoing instrument was acknowledged before me this 17th day of JUNE, 2009,
by TOMMYE E. BARIE (name of person, officer, or agent, title of officer
or agent), of CPA ASSOCIATES (name of corporation or
partnership, a FLORIDA (state of incorporation or partnership, if applicable).

☒ who is personally known to me,
☐ who produced _____ as identification, who did take an oath, and who
acknowledged before me that he executed the same freely and voluntarily for the purposes therein expressed.

(Notary Seal)



Rachel Okeener

Signature

RACHEL O. KEENER

Print Name

NOTARY PUBLIC-STATE OF FLORIDA

My Commission Expires: 8-18-2011

Commission No. DD 678558

APPENDIX C

Public Entity Crime Statement

The Public Entity Crime Statement is attached.

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

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

1. This sworn statement is submitted to the City of Palmetto (the "CITY") by:

Tommye E. Barie, CPA, Director of Audit and Assurance Services
(Print individual's name and title)

For: CPA Associates

(Print name of entity submitting sworn statement)

Whose business address is: 1301 6th Avenue West, Suite 600, Bradenton, Florida 34205

And (if applicable) its Federal Employer Identification Number (FEIN) is: 65-1064045

(If the entity has no FEIN, include the Social Security Number of the individual signing this sworn statement _____.)

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

3. I understand that "convicted" or "conviction" as defined in Paragraph 287.133(1)(b), FLORIDA STATUTES, means a finding of guilt, in any federal or state trial court of record relating to charges brought by indictment or information after July 1, 1989, as a result of a jury verdict, non-jury trial, or entry of a plea of guilty or nolo contendere.

4. I understand that an "affiliate" as defined in Paragraph 287.133(1)(a), FLORIDA STATUTES, means:

- a. A predecessor or successor of a person convicted of a public entity crime; or
- b. an entity under the control of any natural person who is active in the management of the entity and who has been convicted of a public entity crime. The term "affiliate" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in the management of an affiliate. The ownership by one (1) person of shares constituting a controlling interest in another person, or a pooling of equipment or income among persons when not for fair market value under an arms length agreement, shall be a prima facie case that one (2) person controls another person. A person who knowingly enters into a joint venture with a person who has been convicted of a public entity crime in Florida during the preceding thirty-six (36) months shall be considered an affiliate.

5. I understand that a "person" as defined in Paragraph 287.133(1)(e), FLORIDA STATUTES, means any natural person or entity organized under the laws of any state of the United States with the legal power to enter into a binding contract and which bids or applies to bid on contracts for the provision of goods or services let by a public entity or which otherwise transacts or applies to transact

business with a public entity. The term "person" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in management of an entity.

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

X Neither the entity submitting this sworn statement, nor any of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, nor any affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989.

 The entity submitting this sworn statement, or one (1) or more of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989. However, there has been a subsequent proceeding before a Hearing Officer of the State of Florida, Division of Administrative Hearings and the Final Order entered by the Hearing Officer determined that it was not in the public interest to place the entity submitting this sworn statement on the convicted vendor list. (Attach a copy of the final order)

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

Date: June 17, 2009

Tommy E. Barie
Signature

STATE OF FLORIDA
COUNTY OF MANATEE

The foregoing instrument was acknowledged before me this 17th day of JUNE, 2009, by Tommy E. Barie, as DIRECTOR of AUDIT & ASSURANCE SERVICES, on behalf of CPT ASSOCIATES.

☒ who is personally known to me, or ☐ who produced _____ as identification, who did take an oath, and who acknowledged before me that he executed the same freely and voluntarily for the purposes therein expressed.

(Notary Seal)



Rachel O. Keener
Signature

RACHEL O. KEENER
Print Name
NOTARY PUBLIC-STATE OF FLORIDA
My Commission Expires: 8-18-2011
Commission No. DD 678558

APPENDIX D

Drug Free Work Place Certification

The Drug Free Work Place Certification is attached.

DRUG FREE WORK PLACE CERTIFICATION

SWORN STATEMENT PURSUANT TO ORDINANCE NO. 505, AMENDING CHAPTER 2, SECTION 2-57, PALMETTO CODE OF ORDINANCES, ON DRUG FREE WORK PLACES.

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

This sworn statement is submitted to the City of Palmetto (the "CITY"), by:

Tommye E. Barie, CPA, Director of Audit and Assurance Services
(Print individuals name and title)

For: CPA Associates

(Print name of entity submitting sworn statement)

Whose business is: accounting services, including auditing, taxes, consulting
and (if applicable) its Federal Employer Identification Number (FEIN) is 65-1064045. (If the entity has
no FEIN, include the social security number of the individual signing this sworn statement: _____)

I understand that no person or entity shall be awarded or receive a CITY contract for public improvements, procurement of goods or services (including professional services) or a CITY lease, franchise, concession or management agreement, or shall receive a grant of CITY monies unless such person or entity has submitted a written certification to the CITY that it will provide a drug free work place by:

1. Providing a written statement to each employee notifying such employee that the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance as defined by §893.02(4), Florida Statutes, as the same may be amended from time to time, in the person's or entity's work place is prohibited specifying the actions that will be taken against employees for violation of such prohibition. Such written statement shall inform employees about:
 - I. The dangers of drug abuse in the work place;
 - II. the person's or entity's policy of maintaining a drug free environment at all its work places, including, but not limited to, all locations where employees perform any task relating to any portion of such contract, business transaction or grant;
 - III. any available drug counseling, rehabilitation, and employee assistance programs; and
 - IV. the penalties that may be imposed upon employees for drug abuse violations.
2. Requiring the employee to sign a copy of such written statement to acknowledge his or her receipt of same and advise as to the specifics of such policy. Such person or entity shall retain the statements signed by its employees. Such person or entity shall also post, in a prominent place at all of its work places, a written statement of its policy containing the foregoing elements I through IV.
3. Notifying the employee in the statement required by subsection, 1 that this is a condition of employment the employee will:
 - I. Abide by the terms of the statement; and

- II. Notify the employer of any criminal drug statute conviction for a violation occurring in the work place no later than five (5) days after such a conviction.
4. Notifying the CITY within ten (10) days after receiving notice under subsection 3 from an employee or otherwise receiving actual notice of such conviction.
 5. Imposing appropriate personnel action against such employee up to and including termination; or requiring such employee to satisfactorily participate in a drug abuse assistance or rehabilitation program approved for such purposes by a federal,, state, or local health, law enforcement, or other appropriate agency.
 6. Making a good faith effort to continue to maintain a drug free work place through implementation of sections 1 through 5 stated above.

I UNDERSTAND THAT THE SUBMISSION OF THIS FORM TO THE CONTRACTING OFFICER FOR THE CITY OF PALMETTO IS VALID THROUGH DECEMBER 31 OF THE CALENDAR YEAR IN WHICH IT IS FILED. I ALSO UNDERSTAND THAT ANY CONTRACT OR BUSINESS TRANSACTION SHALL PROVIDE FOR SUSPENSION OF PAYMENTS, OR TERMINATION, OR BOTH, IF THE CONTRACTING OFFICER OF THE PALMETTO CITY CLERK DETERMINES THAT:

1. Such person or entity has made false certification;
2. such person or entity violates such certification by failing to carry out the requirements of sections 1, 2, 3, 4, 5 or 6 or Ordinance No. 505, amending Chapter 2, Section 2-57, Palmetto Code of Ordinances, or
3. such a number of employees of such person or entity have been convicted of violations occurring in the work place as to indicate that such person or entity has failed to make a good faith effort to provide a drug free work place as required by Ordinance No. 505.

Tommy E. Barie
(Signature)

STATE OF FLORIDA
COUNTY OF MANATEE

The foregoing instrument was acknowledged before me this 17th day of June, 2009, by TOMMY E. BARIE, as DIRECTOR of AUDIT & ASSURANCE SERVICES, on behalf of CPT ASSOCIATES.
☒ who is personally known to me, or ☐ who produced _____ as identification, who did take an oath, and who acknowledged before me that he executed the same freely and voluntarily for the purposes therein expressed.

(Notary Seal)



Rachel O. Keener
Signature
RACHEL O. KEENER
Print Name
NOTARY PUBLIC-STATE OF FLORIDA
My Commission Expires: 8-18-2011
Commission No. DD 678558

APPENDIX E

Certificate of Insurance

Copies of the Firm's insurance declarations are attached.



New York Marine & General
Insurance Company
919 Third Avenue
New York, NY 10022

Accountants & Consultants Professional Liability Insurance Policy Declarations

(herein referred to as "us", "we" or "our")

THIS IS A CLAIMS MADE AND REPORTED POLICY. PLEASE REVIEW THE POLICY CAREFULLY.

NOTICE: EXCEPT AS MAY BE OTHERWISE PROVIDED HEREIN, THE COVERAGE OF THIS POLICY IS LIMITED TO LIABILITY FOR COVERED ACTS COMMITTED SUBSEQUENT TO THE RETROACTIVE DATE, IF APPLICABLE, FOR WHICH CLAIMS ARE FIRST MADE AGAINST YOU WHILE THE POLICY IS IN FORCE AND WHICH ARE REPORTED TO US NO LATER THAN SIXTY (60) DAYS AFTER THE TERMINATION OF THIS POLICY. THE COVERAGE OF THIS POLICY DOES NOT APPLY TO CLAIMS FIRST MADE AGAINST YOU AFTER THE TERMINATION OF THIS POLICY UNLESS, AND IN SUCH EVENT ONLY TO THE EXTENT, AN EXTENDED REPORTING PERIOD OPTION APPLIES.

POLICY NUMBER: CG103788

Replacing: CG101460
Producer Code: RISCAPAG

1. Named Insured and Mailing Address: CPA Associates, PLC
1301 Sixth Avenue West
Suite 600
Bradenton FL 34205
2. Policy Period: from 02/04/09 to 02/04/10
At 12:01 A.M. Standard Time at the address of the Named Insured as stated above.
3. Limits of Liability: \$3,000,000.00 each Claim, but in no event exceeding
\$3,000,000.00 in the aggregate for all Claims

Defense Expenses Coverage Option: A
A. Reduce the available Limits of Liability
B. Are separate, and do not reduce the Limits of Liability
4. Deductible: \$ 50,000.00 each Claim, but in no event exceeding
\$ 0.00 in the aggregate for all Claims

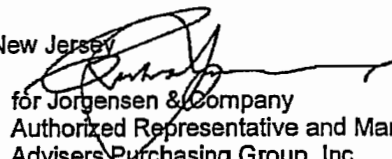
Deductible Option: A
A. The Deductible amount specified above applies to both Damages and Defense Expenses
B. The Deductible amount specified above applies only to Damages
5. Retroactive Date: Full Prior Acts
6. Annual Premium: \$40,260.00 + Hurricane Surcharge: \$402.60 + FIGA Surcharge: \$805.20 = \$41,467.80
7. Notice to insurer: New York Marine & General Insurance Company,
919 Third Avenue, 10th floor, New York, NY 10022
8. Forms and endorsements attached at inception of coverage. Refer to schedule of forms.

NYAPOL 01
NYAEN 40
NYAEN 67

NYAEN 00
NYAEN 02I
NYAEN 110

NYAEN 01
NYAEN 31

Issued on: February 6, 2009 at Ridgewood, New Jersey


for Jorgensen & Company
Authorized Representative and Managers for The Professional
Advisers Purchasing Group, Inc.

Countersigned at _____

by: _____

on: _____



State Farm Florida Insurance Company
7401 Cypress Gardens Blvd.
Winter Haven, FL 33888-0007

U-19- 6661-F596 U 3 F

007064
CPA ASSOCIATES PA
1301 6TH AVE W STE 600
BRADENTON FL 34205-7440



Location: 1301 6TH AVE W
BRADENTON FL
34205-7410

SFPP No: 1090934619

Add Ins-II: FIRST BANK

Add Ins: CITY OF NORTH PORT

Forms, Options, and Endorsements

Special Form 3	FP-6153
Amendatory Endorsement	FE-6210.3
Business Policy Endorsement	FE-6464
Tree Debris Removal	FE-6451
Glass Deductible Deletion	FE-6538.1
Fungus (Including Mold) Excl	FE-6566
Subcontractor Pd Exclusion	FE-6598
Amendatory Collapse	FE-6839
Policy Endorsement - Business	FE-6610
Dist Mat Violat Statutes Excl	FE-6655
Policy Endorsement	FE-6656
Hurricane Deductible	FE-6537.4

Continued on next page

RENEWAL CERTIFICATE

POLICY NUMBER 98-TN-1598-2

Business- Office Policy
AUG 06 2008 to AUG 06 2009

BILLED THROUGH SFPP

Coverages and Limits

Section I

A Buildings	Excluded
B Business Personal Property	1,022,200
C Loss of Income	Actual Loss

Deductibles - Section I

Basic	5,000
Hurricane	2.00%
Other deductibles may apply - refer to policy	

Section II

L Business Liability	\$1,000,000
M Medical Payments	5,000
Gen Aggregate (Other than PCO)	2,000,000
Products-Completed Operations (PCO Aggregate)	2,000,000

Annual Premium	\$3,469.00
Forms, Opts, & Endrmnt	1,942.00
Bus Liability - Cov L	539.00
FL Trust Fund Surchg	5.95
FHCF Assessment	59.50
Citizen 05 Reg Asmt	82.71
**Adl Surchg(See Below)	87.31
Total Amount	\$6,185.47

Premium Reductions

Yrs in Business Discount	
Enclosed Building	
Prot. Devices Discount	
Claim Record Discount	

Cov. A - Inflation Index:	N/A
Cov. B - Consumer Price:	213.5

** FL EMPA Fund Surcharge 4.00 2005 Citizens EM Asmt 83.31

NOTICE: Information concerning changes in your policy language is included. Please call your agent if you have any questions.

Thanks for letting us serve you...

24626
S8,G6

401B 1

Agent SCROGGINS INS AGCY INC
Telephone (941) 795-1500 or (941) 792-2351

If you have moved, please contact your agent.
See reverse side for important information.

REP

Prepared APR 22 2008

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

Insurer: FCCI INSURANCE COMPANY
6300 UNIVERSITY PKWY
SARASOTA, FL 34240-8424

Carrier Number: 24570
Policy Number: 001-WC09A-59203
Prior Policy Number: 001-WC08A-59203

INFORMATION PAGE

1. The Insured: CPA ASSOCIATES PLC

Mailing Address: 1301 6th Ave W Suite 600
BRADENTON, FL 34205

Business Status: Corporation

Risk ID Number: 097480702

FEIN Number: 651064045

Other workplaces not shown above:

2. The policy period is from 02/01/09 12:01 AM to 02/01/10 12:01 AM at the Insured's Mailing Address.

3. A. Workers' Compensation Insurance: Part One of the policy applies to the Workers' Compensation law of the state(s) listed here: FLORIDA

B. Employers Liability Insurance: Part Two of the policy applies to work in each state listed in Item 3.A. The limits of our liability under Part Two are:

Bodily Injury by Accident	<u>1,000,000</u>	each accident
Bodily Injury by Disease	<u>1,000,000</u>	policy limit
Bodily Injury by Disease	<u>1,000,000</u>	each employee

C. Other States Insurance: Part Three of the policy applies to the states, if any, listed here:

All states and U.S. territories except North Dakota, Ohio, Washington, Wyoming, Puerto Rico, the U.S. Virgin Islands, and states designated in Item 3.A. of the Information Page.

D. This policy includes these endorsements and schedules: WC000000 A(4/92) WC000001 A(5/88)

WC000310	WC000404	WC000414	WC000419
WC090303	WC090402	WC090403 A	WC090606
WC990602 (5-97)	WC990609		

4. The premium for this policy will be determined by our Manuals of Rules, Classifications, Rates and Rating Plans. All information required below is subject to verification and change by audit.

SEE EXTENSION OF INFORMATION PAGE

Total Estimated Policy Premium: \$8,565


Minimum Premium: \$221

Program Type: Gold Advantage Plan Standard - Consent

Agency Name: 5, Boyd Insurance & Investment Svc Inc

Agency Location: Bradenton, FL

Agency Phone Number: (941) 745-8300


G.W. Jacobs
President

Countersigned by Phillip B. Baker AAI
Authorized Representative

APPENDIX F

Peer Review Report

A copy of the Firm's latest Peer Review Report is attached



To the Shareholders of
CPA Associates, P.L.C.
d/b/a CPA Associates

We have reviewed the system of quality control for the accounting and auditing practice of CPA Associates (the "firm") in effect for the year ended May 31, 2007. A system of quality control encompasses the firm's organizational structure, the policies adopted and procedures established to provide it with reasonable assurance of conforming with professional standards. The elements of quality control are described in the Statements on Quality Control Standards issued by the American Institute of CPAs (AICPA). The firm is responsible for designing a system of quality control and complying with it to provide the firm reasonable assurance of conforming with 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 with its system of quality control based on our review.

Our review was conducted in accordance with standards established by the Peer Review Board of the AICPA. During our review, we read required representations from the firm, interviewed firm personnel and obtained an understanding of the nature of the firm's accounting and auditing practice, and the design of the firm's system of quality control sufficient to assess the risks implicit in its practice. Based on our assessments, we selected engagements and administrative files to test for conformity with professional standards and compliance with the firm's system of quality control. The engagements selected represented a reasonable cross-section of the firm's accounting and auditing practice with emphasis on higher-risk engagements. The engagements selected included among others, an audit of an Employee Benefit Plan and engagements performed under *Government Auditing Standards*. Prior to concluding the review, we reassessed the adequacy of the scope of the peer review procedures and met with firm management to discuss the results of our review. We believe that the procedures we performed provide a reasonable basis for our opinion.

In performing our review, we obtained an understanding of the system of quality control for the firm's accounting and auditing practice. In addition, we tested compliance with the firm's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of the firm's policies and procedures on selected engagements. Our review was based on selected tests therefore it would not necessarily detect all weaknesses in the system of quality control or all instances of noncompliance with it. There are inherent limitations in the effectiveness of any system of quality control and therefore noncompliance with the system of quality control may occur and not be detected. Projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or because the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the system of quality control for the accounting and auditing practice of CPA Associates in effect for the year ended May 31, 2007, has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA and was complied with during the year then ended to provide the firm with reasonable assurance of conforming with professional standards.

KraftCPAs PLLC

Nashville, Tennessee
July 27, 2007

APPENDIX G

Addendum # 1

Acknowledged Addendum #1 is attached.



516 8TH Avenue West
PO Box 1209
Palmetto, Florida 34221
Phone (941) 723-4570
Fax (941) 723-4576
Web: www.palmettofl.org
E-mail: nhaisley@palmettofl.org

Date: Monday, June 15, 2009

Re: Financial Auditing Services

ADDENDUM #1

Dear Potential Proposer:

Proposers are hereby notified that this addendum shall be made a part of the above-named solicitation and agreement documents. The item(s) listed below are issued to add to, modify, and clarify the solicitation and agreement documents. The item(s) shall have the same force and effect as the original solicitation and agreement documents. Proposals, to be submitted, shall conform to the addition and revision listed herein.

RESPONSES TO PROPSEER INQUIRIES

What did the City pay in audit fees for the equivalent scope of basic services outlined in the RFP for each of the past three years?

FY08 - \$48,675; FY07 - \$50,406; FY06 - \$60,450

How many consecutive years have the current auditors performed the City of Palmetto audits?

9 years

Can the City provide a report at various levels of detail that shows original and final budget information? Yes

What is the City's reason for considering a change in auditors? Completion of contract

May we obtain a copy of the current year budget? Yes. It is online at <http://www.palmettofl.org/index.aspx?nid=170> or you may pick one up at City Hall.

Who will prepare the City's State Annual Financial Report and other State required reports?
The City's Finance Department, with assistance from the auditor on an as-needed basis.

Approximately how many auditor-generated journal entries are made each year?
An average of 1 to 3 entries.

Can you e-mail required financial reports to Excel during the audit? Yes

Verify that a fee quotation or hourly rates are not to be included in the Proposal.
Yes fees are to be included. Part IV – Evaluation of Proposals states that is one of the criteria.

What has been the typical audit-team staff and duration for audit fieldwork? Staff has typically been an audit manager and one or two staff auditors. Interim testing has been week onsite in the summer and two to three weeks testing in November/December.

How many accounting staff does the City have? Four

How many adjustments, (if any), were posted or proposed as part of the audit process last year? Three

Is there a designated audit committee that the audit is presented to?
No – The Audit Committee is the City Commission

Are there required presentations at the end of the audit, or is written communication sufficient?
No required presentations however, traditionally, a presentation has been done by the auditors.

Is there an exit meeting with management? Yes

In the RFP under Part II, the RFP indicates that the City anticipates a single audit for the year ended 2009. Is this federal or state, or both? State only

The RFP indicates that end of year records will be ready on or before November 30. When is the draft of the financial statements and related notes, as well as supplemental information typically provided to the auditors for their input and review? Late December to Mid January

The RFP discusses a phased in approach to the audit. What is the earliest that the audit process can begin? For instance, documenting and testing internal controls and transactional based testing? Interim testing has typically been in August. July would be the earliest.

We are requesting the past two (2) years of fees that were paid for this service.
Paid in FY09 - \$48,675.50 for FY08 Audit
Paid in FY08 - \$50,406.50 for FY07 Audit

Part 1, 15. G. Hold Harmless

The RFP states “A City stand-alone Hold Harmless Agreement is required and shall be submitted along with all certificates of insurance.” The Hold Harmless Agreement was not noted in the RFP. Does this Agreement need to be submitted with the proposal, or will this be required after the contract is awarded? If it needs to be submitted now, will this Agreement be part of an addendum? Also, do the certificates of insurance need to be submitted with the proposal, or will this be required after the contract is awarded?

The Hold Harmless agreement will not be required with the proposal. The Certificate of Insurance will be required with the proposal.

Part II. D. 1. and 2.

It appears from the RFP that the City's staff will be preparing the CAFR, except for the Statement of Cash Flows and government-wide Statement of Net Assets and Statement of Activities. Is this correct?

This is correct.

If a firm cannot get professional liability insurance with a \$2 Million aggregate due to revenue size, but rather can get a \$1 Million/\$1Million, will that make the firm ineligible to be selected for this RFP? A \$1 Million policy will not make a firm ineligible to be considered for this RFP.

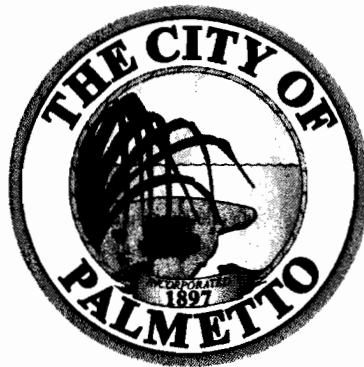
What were prior year GFOA comments, if any (last two years)? Included on web as adobe files.

Is there any new debt being issued in the current fiscal year? There is no new debt for FY09.

What were the audit fees for the last three years? Paid in FY09 - \$48,675.50 for FY08 Audit; Paid in FY08 - \$50,406.50 for FY07 Audit; Paid in FY07 - \$60,450 for FY06 Audit

END OF PAGE 3

CITY OF PALMETTO
REQUEST FOR PROPOSAL
FINANCIAL AUDITING SERVICES



May 26, 2009

**Proposals Must Be Submitted No Later Than
June 17, 2009 – 2:00PM**

**CITY OF PALMETTO
REQUEST FOR PROPOSAL
FINANCIAL AUDITING SERVICES**

The City of Palmetto, Florida, is seeking the services of a Professional Certified Public Accounting firm to provide usual and customary consulting services relative to the auditing of financial statements. These audits are to be performed in accordance with generally accepted auditing standards, the standard set forth in financial audits of the U.S. General Accounting Office's (GFAO), Government Auditing Standards, the provisions of the federal Single Audit Act of 1984, including 1996 amendments, U.S. Office of Management and Budget (OMB) Circular A-128, Audits of State and Local Governments and the rules of the Auditor General for the State of Florida. The audits shall also comply with future changes in auditing and accounting standards.

One (1) original and six (6) copies of the proposal response should be submitted for review. **Responses are due no later than Wednesday, June 17, 2009 at 2:00 P.M. EST**, at City Hall, located at 516 8th Avenue W, Palmetto, Florida 34221. Sealed envelopes should be clearly labeled **"RFP 2009-06 Financial Auditing Services."** Timely delivery is solely and strictly the responsibility of the individual or firm. Proposals received after 2:00 P.M. EST will not be considered and will be returned to the proposer unopened.

For additional information regarding this Request for Proposals please email or fax: Nixa Haisley, Purchasing Agent at nhaisley@palmettofl.org or (941)723-4576 no later than June 10, 2009 so a written response may be returned and also forwarded to all interested parties by the proposal deadline.

The City reserves the right to reject any and all proposals, waive any technical defects, and to accept any proposal, which in the opinion of the bidding authority, is in the best interest of the City of Palmetto. This request and all submissions are subject to the City Charter and Code of Ordinances.

**CITY OF PALMETTO
REQUEST FOR PROPOSAL
FINANCIAL AUDITING SERVICES**

PART I – GENERAL INSTRUCTIONS

1. PURPOSE

A. Intent of RFP: It is the intent of the City of Palmetto, Florida, to select an experienced and qualified Auditing Firm (Auditor) to provide professional FINANCIAL AUDITING SERVICES for the City, as required by Florida Statute 11.45, for the fiscal years ending September 30, 2009; 2010; and 2011. The contract will have the option to renew for three (3) consecutive one-year (1) periods, contingent on the satisfactory negotiation of terms between both the City and Firm, and with no change from original Request for Proposal (except for dates).

B. Time and Due Date: The City of Palmetto will accept initial proposals from qualified firms consisting of individuals, corporations, partnerships, and other legal entities authorized to conduct business in the State of Florida **no later than 2:00 PM Wednesday, June 17, 2009.**

C. Background: The City of Palmetto is a municipal corporation of the State of Florida located in Manatee County. The City is comprised of 7 square miles and 42 miles of paved road with a population of an estimated 14,200.

The City has a Mayoral form of government. The legislative and governing body of the City is a five (5) member Commission, elected from each of the three wards and two at-large members. Each Commissioner is elected to a four (4) year term.

The City of Palmetto provides a range of municipal services. The public safety operation includes police, as well as building inspections, code enforcement and zoning. Twelve parks make up the city's recreational services including a historical park. Public Works provides the essential, street and highway maintenance, signalization, landscape maintenance, solid waste collection, water and sewer services, reclaimed water and stormwater utilities.

2. CONTRACT AWARDS/TERM OF CONTRACT

The City anticipates entering into one (1) contract with the firm who submits the proposal judged to be responsive, responsible and most advantageous to the City. The proposer understands that this RFP does not constitute an agreement or a contract with the proposer. A proposal is not binding until proposals are reviewed and accepted by the Palmetto City Commission and both parties execute a contract. This contract will become effective

immediately upon approval of the contract by the City Commission and will remain in effect through the completion of work for fiscal year ended September 30, 2011 unless otherwise cancelled or terminated pursuant to the terms of the contract..

3. DEVELOPMENT COSTS

The City shall not be liable for any expense incurred in connection with preparation of a response to this Request for Proposal. Proposers should prepare a straightforward and concise description of the proposer's ability to meet the requirements of the RFP.

4. INQUIRIES

The City will not respond to oral inquiries. Proposers may submit written, e-mailed or faxed, inquiries regarding this RFP to the Purchasing Agent fax number at (941) 723-4576 or the Purchasing Agent e-mail address at nhaisley@palmettofl.org. The City will respond to written, emailed or faxed, inquiries received at least five (5) working days prior to the RFP due date.

The City will record its responses to inquiries and any supplemental instructions in the form of written addenda. All written addenda will be issued through our website at www.palmettofl.org. It shall be the responsibility of the proposer, prior to submitting their proposal, to contact the Purchasing Office to determine if addenda were issued, acknowledging and incorporating them into their proposal.

5. PROPOSAL SUBMISSION AND WITHDRAWAL

The City will receive proposals in City Hall at the following address and clearly marked on the outside: **RFP 2009-06: FINANCIAL AUDITING SERVICES:**

City of Palmetto
Purchasing Agent
516 8th Ave West
Palmetto, Florida 34221

Proposals received after the established deadline will not be opened. Proposers may withdraw their proposals by notifying the City in writing at any time prior to the due date. Proposals not so withdrawn shall, upon opening, constitute an irrevocable offer for a period of one hundred and eighty (180) calendar days to provide the City the services set forth in these specifications until one or more of the proposals have been accepted by the City Commissioners. Upon opening, proposals become "public records" and shall be subject to public disclosure in accordance with Chapter 119, Florida Statutes.

6. PUBLIC PRESENTATIONS

The Audit Selection Committee may conduct discussions with and may require public presentations by up to three (3) firms, regarding their qualifications, approach to the project, and ability to furnish the required services. The City shall not be responsible for any expenses incurred for public presentations.

7. PROPOSAL RESTRICTIONS

In order to control the cost of preparation, submittal will be restricted to the requirements as described in Part III – Instructions for Preparing Proposals contained within this RFP.

8. DRUG FREE WORKPLACE

The City of Palmetto is a Drug Free Workplace. It is required that the attached Drug Free Workplace Form be signed and returned to this office with the proposal.

9. PUBLIC ENTITY CRIMES STATEMENT

In accordance with Florida Statutes Sec. 287.133(2)(a), "A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid on a contract to provide any goods/services to a public entity, may not submit a bid on a contract with a public entity for construction or repair of a public building or public work, may not submit bids on leases of real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, for Category Two, for a period of 36 months from the date of being placed on the convicted vendor list." . It is required that the attached Public Entity Form be signed and returned to this office with the proposal.

10. CANCELLATION

The City shall have the right to unilaterally cancel, terminate or suspend any contract approved by City Commission, as provided herein, in whole or in part, by providing the firm thirty (30) days written notice by certified mail.

11. FISCAL NON-FUNDING CLAUSE

In the event sufficient funds are not budgeted for a new fiscal period, the City shall notify the successful proposer of such occurrence and the contract shall terminate on the last day of the current fiscal year without penalty or expense to the City.

12. RESERVED RIGHTS

The City reserves the right to accept or reject any/or all submissions, to accept all or any part of the submission, to waive irregularities and technicalities, and to request resubmission, if it is deemed in the best interest of the City. The City, in its sole discretion, may expand the scope of work to include additional requirements. The City reserves the right to investigate, as it deems necessary, to determine the ability of any firm to perform the work or services requested. The firms upon request shall provide information the City deems necessary in order to make a determination.

13. LOCAL PREFERENCES

Preference will be given during the evaluation process for firms with offices in the City of Palmetto and Manatee County. Refer to the evaluation criteria in Part IV for details.

14. EQUAL EMPLOYMENT OPPORTUNITY CLAUSE

City of Palmetto, Florida, in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252) and the Regulations of the Department of Commerce (15 CFR, Part 8) issued pursuant to such Act, hereby notifies all proposers that it will ensure that in any contract entered into pursuant to this advertisement, minority business enterprises will be afforded full opportunity to submit proposals in response to this advertisement and will not be discriminated against on the ground of race, color or national origin in consideration for an award.

15. INSURANCE REQUIREMENTS

The successful firm shall be required to supply, at their cost, the following minimum insurance coverage:

A. Workers Compensation: Coverage to apply for all employees for Statutory Limits in compliance with the applicable state and federal laws. The policy must include Employers' Liability with a limit of \$500,000 each accident; \$500,000 each employee; and \$500,000 policy limit for disease.

B. *Professional Liability Insurance:* with minimum \$1,000,000 per occurrence for this project with a \$2,000,000 policy term general aggregate. Coverage shall be extended beyond the policy year term either by a supplemental extended reporting period (ERP) with as great of duration as available, with no less coverage and reinstated aggregate limits, or by requiring that any new policy provide a retroactive date no later than the inception date of claims made.

C. *Comprehensive Commercial General Liability Insurance:* Occurrence from required. Aggregate must apply separately to this contract/job. Minimum \$500,000 each occurrence; \$1,000,000 general aggregate; \$1,000,000 products and completed ops; and \$100,000 fire damage.

D. *Automobile Insurance:* To include all vehicles owned, leased, hired and non-owned vehicles with limits of not less than \$1,000,000 per each accident and for property damage and bodily injury, with contractual liability coverage for all work performed under this agreement.

E. City of Palmetto is to be named additional insured on Comprehensive Commercial General Liability Policy and the Business Auto Policy. Certification of same shall be required along with a standalone Hold Harmless Agreement. All certificates of insurance and the City's Hold Harmless Agreement must be on file with and approved by the City before commencement of any work activities under this agreement.

F. Any and all deductibles to the above referenced policies are to be the responsibility of the successful firm.

G. *Hold Harmless:* The City shall be held harmless against all claims for bodily injury, sickness, disease, death or personal injury or damage to property, or loss of use resulting from or arising out of performance of this agreement or contract, unless such claims are a result of the City's sole negligence. The City shall also be held harmless against all claims for financial loss with respect to the provision of or failure to provide professional or other services resulting in professional, malpractice, or errors or omissions liability arising out of performance of this agreement or contract, unless such claims are a result of the City's sole negligence. A City stand-alone Hold Harmless Agreement is required and shall be submitted along with all certificates of insurance.

END OF PART I

**CITY OF PALMETTO
REQUEST FOR PROPOSAL
FINANCIAL AUDITING SERVICES**

PART II – SCOPE OF SERVICES

1. SCOPE OF SERVICES

The entity to be audited under this RFP is the City of Palmetto, Florida including all departments/divisions of the City which includes the City Community Redevelopment Agency. The funds to be audited are those included or includable in the City's CAFR. Proposal should include the cost for the City audit as well as any additional cost associated should a single audit be required.

A. Financial Information

The City's accounting system is fully automated. The City's integrated financial system is American Data Group (ADG), which main accounting module incorporates general ledger, cash receipts, accounts payable and receivables, payroll, and human resources and integrates modules for utility billing, inventory, fixed assets, building permits business taxes, and work orders.

The City of Palmetto reported in fiscal year ended September 30, 2008 on a combined total of twelve (12) funds, eight (8) of which had budgets. Funds included were:

Fund Type	Number of Funds
General Fund	1
Major Special Revenue Funds	1
Non-major Capital Projects Fund	1
Enterprise Funds	4
Pension Trust Funds	2
Internal Service Funds	2
Community Redevelopment Fund.....	1
Note: CRA will be reported as a major special revenue fund beginning in fiscal year 2009.	

There are no joint ventures. For fiscal year ended September 30, 2008, there was no single audit required. The City of Palmetto does anticipate a single audit for fiscal year ended 2009. The City prepares its budgets on a modified accrual basis. The City of Palmetto participates in the following two defined benefit, single employer, pension plans:

Palmetto Police Officers' Pension Plan
Palmetto General Employees Pension Plan

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial

Reporting to the City of Palmetto for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2007. This was the third consecutive year that the City has received this prestigious award. Prior years' Comprehensive Annual Financial Reports are available for review at the City of Palmetto Finance Department, 516 8th Avenue West, Palmetto, Florida 34221 and on the City of Palmetto's website at www.palmettofl.org

B. Reporting Requirements

1. Criteria – Section 11.45, Florida Statutes, requires each local government entity to have completed, within twelve (12) months of the fiscal year-end, an annual financial audit of its accounts and records. The City is soliciting proposals from qualified certified public accounting firms to audit its financial statements for the three (3) fiscal years ending September 30, 2009 to September 30, 2011. These audits are to be performed in accordance with:
 - 1.1 Section 11.45, Florida Statutes, and other applicable statutes;
 - 1.2 Regulations of the Florida Department of Banking and Finance;
 - 1.3 Rules adopted by the Auditor General for form and content of local government entity audits (Chapter 10.550 and 10.600, Rules of the Auditor General);
 - 1.4 Statements issued and adopted by the Governmental Accounting Standards Board;
 - 1.5 Statements on Auditing Standards issued by the American Institute of Certified Public Accountants;
 - 1.6 Government Auditing Standards published by the Comptroller General of the United States;
 - 1.7 Audit and Accounting Guide – Audits of State and Local Government Entities published by the American Institute of Certified Public Accountants;
 - 1.8 Single Audit Act of 1984, Public Law 98-502 and amendments of 1996, Public Law 104-156;
 - 1.9 United States Office of Management and Budget (OMB), Circular No. A-133, and any other applicable circular issued by OMB;
 - 1.10 Florida Single Audit Act;
 - 1.11 Statements and interpretations issued by the Financial Accounting Standards Board, if applicable;
 - 1.12 Provisions of any other rule, regulation, statute, ordinance, or order which may pertain to the engagement.
2. The City will send its Comprehensive Annual Financial Report to the Government Finance Officers Association for review in their Certificate of Achievement for Excellence in Financial Reporting program. It is anticipated that the Auditor may be required to provide assistance in completing certain financial statements and supporting notes of the City to meet the requirements of this program, other than completion of their responsibilities and delivery of all audit opinions and reports in a timely manner to allow for the City to deliver with applicable deadlines. The deadline for this submittal is

- March 31. Timing of work shall be coordinated in order to allow the City to assemble the Comprehensive Annual Financial Report to meet this deadline.
3. If required by the Single Audit Act, the schedule of federal financial assistance and related Auditor's report, as well as the reports on internal and state controls and compliance.
 4. The accounting personnel of the City will prepare and provide copies of working trial balances used to prepare the financial statements. The financial statements and footnotes will also be prepared by the City's Finance Department however, as previously stated the Auditor may be required to provide assistance as necessary. The City's accounting personnel will be available during the audit to assist the Auditor by providing information, documentation, and explanations.
 5. Office space will be provided in close proximity to the financial records. Telephones will be made available as well as the use of a copier and fax machine during the engagement. The Auditor will be required to provide its own equipment and other office materials.
 6. The Auditor shall provide the following:
 - 6.1 A Report of Independent Auditors on the basic financial statements of the City, in conformity with generally accepted accounting principals.
 - 6.2 Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting based on an Audit of Basic Financial Statements performed in accordance with *Government Auditing Standards*.
 - 6.3 If required by the Single Audit Act, Schedules of Federal and State Financial Assistance.
 - 6.4 If required by the Single Audit Act, Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program, Internal Control over Compliance in Accordance with OMGB Circular A-133 and Schedule of Expenditures of Federal Awards.
 - 6.5 If required by the Single Audit Act, Independent Auditor's Report on Examination of Management's Assertion about Compliance with Specified Requirements.
 - 6.6 If required by the Single Audit Act, a report on the Schedule of State Grant and Aid Appropriations.
 - 6.7 If required by the Single Audit Act, Data Collection Form for Reporting on Audits of States, Local Governments, and Non-Profit Organizations.
 - 6.8 A Management Letter as required by Section 11.45(3)(a)5, Florida Statutes and defined in Rule 10.554, Rules of the Auditor General. The draft of the management letter is to be discussed with key staff members before its issuance in final form.
 7. *Time table*: All reports applicable to this RFP shall be delivered based on a schedule as agreed to by the City and the Auditor.

C. Reports to be Issued

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

1. A report of the fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America.
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 with requirements applicable to each major Federal program and state project and on internal control over compliance in accordance with OMB Circular A-133 and the Florida Department of Financial Services *State Projects Compliance Supplement*.
4. A schedule of findings and questioned costs.
5. Any other required reports and schedules required by Federal and State Single Audit Acts.

In the required report(s) on internal controls, the Auditor shall communicate any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Reportable conditions that are also material weaknesses shall be identified as such in the report. Non-reportable conditions discovered by the Auditors shall be reported in a separate management letter. The report on compliance shall include all material instances of noncompliance. All nonmaterial instances of noncompliance shall be reported in a separate management letter.

The separate management letter shall include, but not be limited to:

1. A statement as to whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report.
2. A statement as to whether or not the City complied with Section 218.415, Florida Statutes, regarding the investment of public funds.
3. Any recommendations to improve the City's financial management, accounting procedures, and internal controls.
4. Matters that are not clearly inconsequential, considering both quantitative and qualitative factors, including the following:
 - 4.1 Violations of laws, rules, regulations, and contractual provisions or abuse that have occurred, or were likely to have occurred, and were discovered within the scope of the audit.
 - 4.2 Improper or illegal expenditures discovered within the scope of the audit that may or may not materially affect the financial statements.
 - 4.3 Deficiencies in internal control that are not reportable conditions, including, but not limited to:
 - 4.3.1 Improper or inadequate accounting procedures (i.e., the omission of required disclosures from the annual financial statements).

- 4.3.2 Failures to properly record financial transactions.
 - 4.3.3 Other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the Auditor.
5. A statement as to whether or not the City has met one or more of the financial emergency conditions described in Section 218.503(l), Florida Statutes, and identification of the specific condition(s) met.
6. A statement as to whether or not the financial report filed with the Florida Department of Financial Services pursuant to Section 218.32(l)(a), Florida Statutes, is in agreement with the annual financial audit report for the current audit period and, if not, explanations of any significant differences.
7. The following information regarding the Auditor's application of financial condition assessment procedures pursuant to Rule 10.556(7):
 - 7.1 A statement that the Auditor applied financial condition assessment procedures pursuant to Rule 10.556(7).
 - 7.2 If deteriorating financial conditions are noted, a statement that the City's financial condition is deteriorating and a description of conditions causing the Auditor to make this conclusion. Findings regarding deteriorating financial condition must be prepared in accordance with Rule 10.557(6).

The Auditors shall be required to make an immediate written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the Mayor, City Clerk and Deputy City Clerk of Finance.

D. Special Considerations

1. *Assistance in Implementing Government Accounting Standards Board Statements:* The Auditor shall assist the City in implementing all applicable Government Accounting Standards Board (GASB) accounting and reporting standards, as issued or revised.
2. The Auditor shall assist the City in preparing the Comprehensive Annual Financial Report. The City shall retain ultimate responsibility for preparation of this document; however, the Auditor shall provide the following assistance:
 - 2.1 Proof reading of entire document.
 - 2.2 Overall review including layout, design, and suggested improvements.
 - 2.3 Preparation and calculation of the Statement of Cash Flows and the conversion of governmental funds to the government-wide Statement of Net Assets and Statement of Activities.
3. Timeliness is critical in the performance of the audit. The Auditor should coordinate with the Deputy Clerk of Finance and endeavor to accomplish the audit in a phased-in approach throughout the year in order to reduce the year-end workload on both the audit firm and City staff. The City will make necessary records available to the Auditor through the year to assist in this regard. In addition, the City will make end-of-year records available to the Auditor on or before November 30 after the end of the fiscal year under audit.

4. The schedule of federal awards and state financial assistance and related Auditor's report, as well as the reports on the internal control over financial reporting and compliance, are to be issued as part of the Comprehensive Annual Financial Report.

E. Availability of Prior Audit Reports and Working Papers

Interested proposers who wish to review prior years' audit reports and management letters should contact Karen Simpson at 516 8th Avenue West, Palmetto, FL 34221, (941-723-4570). The audit report is also available on the City's website at www.palmettofl.org. The City will use its best efforts to make prior audit reports and supporting working papers available to proposers to aid their response to this request for proposals.

F. Other Considerations

Irregularities and Illegal Acts: Auditors shall be required to make an immediate, written report to the City Manager, or appropriate elected official, of any irregularities and illegal acts or indications of illegal acts of which they become aware.

Working, Paper Retention and Access to Working Papers: All working papers and reports must be retained **at the Auditor's expense** for a minimum of three (3) years, unless the firm is notified in writing by the City of the need to extend the retention period. The Auditor will be required to make working papers available, upon request, to the City of Palmetto. In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

Other Audit Services: Periodically the City of Palmetto may require separate audits and/or consulting engagements to be performed. The Auditor will be expected to perform these audits and/or consulting engagements requested by the City outside of the standard audit at a mutually agreed upon hourly rate.

G. PROJECT GUIDELINES AND CRITERIA

Firms should identify the engagement partners, managers, other supervisory staff, and specialists that will be assigned to the City. Engagement partners, managers, other supervisory staff, and specialists may be changed if those personnel leave the firm. These personnel may also be changed for other reasons with the express prior written permission of the City. However, in either case, the City will retain the right to approve or reject replacements.

END OF PART II

**CITY OF PALMETTO
REQUEST FOR PROPOSAL
FINANCIAL AUDITING SERVICES**

PART III – INSTRUCTIONS FOR PREPARING PROPOSALS

1. RULES FOR PROPOSALS

- A. The proposal must name all persons or entities interested in the proposals as principals of the Project Team. The proposal must declare that it is made without collusion with any other person or entity submitting a proposal pursuant to this RFP. Firms must complete the attached Proposers Certification Form and the No Lobbying Affidavit
- B. Any questions regarding a project or submittal shall be directed to Purchasing. There shall not be any contact between a proposer and any member of the selection committee or any member of the City Commission regarding the project or proposal submitted by any proposer. Any proposer contacting any committee member or member of the City Commission regarding a submitted proposal, is subject to sanctions up to and including having the City disqualify that firm's submittal.

2. PROPOSAL FORMAT

Firms shall prepare their proposals using the format outlined under the Auditor Evaluation Criteria in Part IV.

3. PROPOSAL REQUIREMENTS

In addition to the information required under the Auditor Evaluation Criteria, provide the following information:

- A. **PROJECT:** FINANCIAL AUDITING SERVICES (City of Palmetto, Florida)
- B. **FIRM NAME:**
ADDRESS:
TELEPHONE #:
CONTACT PERSON:
- C. If this is to be a joint venture, or sub-consultants will be used, give name, address, telephone number, and contact person.
- D. *Independence:* The Auditor shall provide an affirmative statement that it is independent of the City as defined by generally accepted auditing standards and the U.S. General Accounting Office's Government Auditing Standards. The firm has no conflict of interest with regard to any other work performed by the firm for the City.
- E. *Licensing:* An affirmative statement shall be included that the Auditor and all assigned key professional staff are properly licensed to practice in Florida.
- F. *Expertise and Experience:* The firm's past experience and performance on comparable government engagements. A minimum of seven (7) years experience in local government financial audits is required.

1. The Auditor will state the size of the firm; the size of the firm's governmental audit staff; the location of the office from which the work on this engagement is to be performed; the number, governmental experience, and nature of the professional staff to be employed in this engagement on a full-time basis; and the number of staff to be so employed on a part-time basis.
 2. If the Auditor is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium should be separately identified and the firm that is to serve as the principal Auditor should be noted, if applicable.
 3. *Similar Engagements with Other Governmental Entities:* For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum 5) performed in the last five (5) years that are similar to the engagement described in the proposal. These engagements should be ranked on the basis of total staff hours. Indicate a summary of the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.
 4. *Prior Engagements with the City:* List separately all engagements with the City for the last five (5) years, ranked on the basis of total staff hours, by type of engagement (i.e., audit, management advisory services, other). Indicate a summary of the scope of work, date, engagement partners, total hours, the location of the firm's office from which the engagement was performed, and the name and telephone number of the principal client contact.
 5. Submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific governmental engagements. Provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years.
 6. Provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years.
 7. Provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations, if applicable.
 8. Provide a summary of any litigation filed against the Auditor in the past three (3) years that is related to the services that Auditor provides in the regular course of business. The summary shall state the nature of the litigation, a brief description of the case, the outcome or projected outcome, and the monetary amounts involved.
- G. *Partner and Supervisory Staff Qualifications and Experience:* Partner and supervisory staff members on the project must have at least six (6) months experience, and have completed one (1) local government entity (as defined in Florida Statute Section 11.45(l)(d)) annual financial audit.
1. Identify the principal supervisory and management staff, including engagement partners, manager, other supervisors, and specialists who

would be assigned to the engagement. Indicate whether each such person is licensed to practice as a certified public accountant in Florida. Provide information on the government auditing experience of each person including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

2. Provide all relevant information regarding the number, qualification, experience and training, including relevant continuing professional education of the specific staff to be assigned to this engagement. Indicate how the quality of staff over a three (3) year term of the contract will be assured.
- H. *Identification of Anticipated Potential Audit Problems:* Identify and describe any anticipated potential audit issues or considerations, the firm's approach to resolving these issues, and any special assistance that will be requested from the City.
- I. *Specific Audit Approach:* The Auditor should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required. In developing the work plan, reference should be made to such sources of information as the City's budget and related materials, organizational charts, manuals and programs, and financial and other management information systems.

Auditors will be required to provide the following information on their audit approach:

1. Proposed segmentation of the engagement.
2. Level of staff and number of hours to be assigned to each proposed segment of the engagement.
3. Type and extent of analytical procedures to be used in the engagement.
4. Approach to be taken to gain and document an understanding of the City's internal control structure.
5. Approach to be taken in determining laws and regulations that will be subject to audit test work.
6. Firm's philosophy on staff rotation.
7. Submit a time schedule.

NOTE: All responses to this Request for Proposal shall be made in this format. Do not attach firm brochures or any other documents as exhibits. Proposals are to be typed on the firm's letterhead, specifically referring to the project and the scope of services, containing all required information. That information is to be submitted in one (1) original form plus six (6) signed copies and placed in a sealed package clearly marked on the outside "**RFP 2009-06: FINANCIAL AUDITING SERVICES**" and addressed to:

City of Palmetto
Nixa Haisley, Purchasing Agent
516 8th Ave W.
Palmetto, Florida 34221
END OF PART III

**CITY OF PALMETTO
REQUEST FOR PROPOSAL
FINANCIAL AUDITING SERVICES**

PART IV – EVALUATION OF PROPOSALS

1. EVALUATION METHOD AND CRITERIA

A. General

The City shall be the sole judge as to the merits of the proposal, and the resulting agreement. The City's decision will be final.

The City's evaluation criteria will include, but shall not be limited to, considerations listed under Part II – Scope of Services. As mentioned in Proposal Format, the proposals should be prepared using the format outlined in the Auditor Evaluation Criteria Part IV. Auditors are advised, and should take into account in the preparation of their proposals, that in the evaluation of Auditors, qualifications by the Professional Services Review Committee shall include, but are not limited to, consideration of such factors as: experience; capabilities; past record; past performance; adequacy of personnel; ability of professional personnel; willingness and ability to meet time and budget requirements; recent, current and projected workload; and the volume of work previously awarded to each firm by the City, with the object of effecting an equitable distribution of contracts among qualified firms; location; approach to the project; ability to furnish the required services; ability to coordinate and control the production and quality of work required for this project; and such other factors as may be determined by the Professional Services Review Committee to be applicable to the particular requirements of the project for which the professional services have been requested.

EVALUATION CRITERIA

PERCENTAGE (WEIGHT)

EXPERTISE AND EXPERIENCE

A.	Size of firm/governmental staff, full/part time staff, nature of staff	
B.	Qualifications of joint venture or consortium firms	
C.	Similar engagements with governmental entities	
D.	Prior engagements with City of Palmetto	30
E.	Quality control	
F.	Federal/state desk review results, field review results	
G.	Disciplinary actions	
H.	Litigation against firm	

LOCATION/FACILITIES OF WORKING OFFICE(S) PROJECT

- | | | |
|----|--|---|
| A. | Firms with offices in the City of Palmetto | 5 |
| B. | Firms with offices in Manatee County | 3 |

PARTNER & SUPERVISORY STAFF QUALIFICATIONS & EXPERIENCE

- | | | |
|----|---|----|
| A. | At least six (6) months experience | |
| B. | Completion of at least one (1) city agency annual financial audit | |
| C. | Florida CPA | 30 |
| D. | Continuing professional education | |
| E. | Membership in relevant professional organizations | |
| F. | Assurance of quality of staff | |

SPECIFIC AUDIT APPROACH

- | | | |
|----|---|----|
| A. | Work plan | |
| B. | Proposed segmentation of the engagement | |
| C. | Staff level/hours of each segment | |
| D. | Type/extent of analytical procedures | |
| E. | Approach to understand City's internal control structure | 30 |
| F. | Approach to determine laws/regulations to be subject to audit test work | |
| G. | Firm philosophy on staff rotation | |
| H. | Reference to information sources | |

<u>FIRMS CURRENT WORKLOAD and BID AMOUNT</u>	10
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TOTAL EVALUATION	100
-------------------------	------------

Plus Local Preference Points (if applicable)

B. Selection: The Professional Services Review Committee shall evaluate and rank the proposals submitted by all firms. Presentations may be requested by the Professional Services Review Committee from the top three (3) ranked firms. Contract negotiations would then commence with the top ranked Project Team.

C. Schedule: The anticipated schedule for this project is as follows:

June 17, 2009:	Proposals due by 2:00 pm
August 3, 2009:	City Commission to approve negotiated contract (This date subject to change)

END OF PART IV

PROPOSERS CERTIFICATION

STATE OF _____

COUNTY OF _____

I, _____, of _____ (name of company),
proposing to furnish the following described materials, equipment, and/or services to the City of Palmetto
(the "CITY") _____

HEREBY CERTIFIES THAT:

1. Bidder/Proposer has thoroughly inspected the specifications or request for proposal and understands the terms and conditions thereof and they are incorporated by reference in the bid or proposal for said goods or services, and have verified measurements, if applicable.
2. The bid or proposal is firm and binding and shall be valid for not less than sixty (60) days from the date of bid opening. A longer time may be set out in the bid, the proposal, or as negotiated between the Bidder/Proposer and the CITY.
3. The bid or proposal is made by a person authorized to bind the Bidder/Proposer.
4. The bid or proposal is made without unlawful collusion between another Bidder/Proposer or potential Bidder/Proposer, or with any officer or employee of the CITY.
5. The bid or proposal is in full compliance with the Copeland Anti-kickback statute.
6. The bidder does not discriminate on the basis of race, color, national origin, sex, religion, age, or handicapped status in employment or in the provision of services.

Print Name: _____

STATE OF _____

COUNTY OF _____

The foregoing instrument was acknowledged before me this ____ day of _____, 2009,
by _____, as _____ (title) of _____
(name of company), on behalf of _____ (type of entity).

☐ who is personally known to me,
☐ who produced _____ as identification, who did take an oath, and who
acknowledged before me that he executed the same freely and voluntarily for the purposes therein expressed.

(Notary Seal)

Signature

Print Name

NOTARY PUBLIC-STATE OF _____

My Commission Expires: _____

Commission No. _____

NO LOBBYING AFFIDAVIT

STATE OF _____

COUNTY OF _____

This, _____, of _____, 2009 _____
being first duly sworn, deposes and says that he or she is the authorized representative of

(Name of the authorized contractor, firm or individual), maker of the attached request for proposal
released by the City of Palmetto, and that the proposer and any of its agents agrees to abide by the City of
Palmetto's no lobbying restrictions in regards to this solicitation.

Affiant

The foregoing instrument was acknowledged before me this _____ day of _____, 2009,
by _____ (name of person, officer, or agent, title of officer
or agent), of _____ (name of corporation or
partnership, a _____ (state of incorporation or partnership, if applicable).

☐ who is personally known to me,

☐ who produced _____ as identification, who did take an oath, and who
acknowledged before me that he executed the same freely and voluntarily for the purposes therein expressed.

(Notary Seal)

Signature

Print Name

NOTARY PUBLIC-STATE OF _____

My Commission Expires: _____

Commission No. _____

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

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

1. This sworn statement is submitted to the City of Palmetto (the "CITY") by:

(Print individual's name and title)

For: _____
(Print name of entity submitting sworn statement)

Whose business address is: _____

And (if applicable) its Federal Employer Identification Number (FEIN) is: _____

(If the entity has no FEIN, include the Social Security Number of the individual signing this sworn statement _____.)

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

3. I understand that "convicted" or "conviction" as defined in Paragraph 287.133(1)(b), FLORIDA STATUTES, means a finding of guilt, in any federal or state trial court of record relating to charges brought by indictment or information after July 1, 1989, as a result of a jury verdict, non-jury trial, or entry of a plea of guilty or nolo contendere.

4. I understand that an "affiliate" as defined in Paragraph 287.133(1)(a), FLORIDA STATUTES, means:

- a. A predecessor or successor of a person convicted of a public entity crime; or
- b. an entity under the control of any natural person who is active in the management of the entity and who has been convicted of a public entity crime. The term "affiliate" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in the management of an affiliate. The ownership by one (1) person of shares constituting a controlling interest in another person, or a pooling of equipment or income among persons when not for fair market value under an arms length agreement, shall be a prima facie case that one (2) person controls another person. A person who knowingly enters into a joint venture with a person who has been convicted of a public entity crime in Florida during the preceding thirty-six (36) months shall be considered an affiliate.

5. I understand that a "person" as defined in Paragraph 287.133(1)(e), FLORIDA STATUTES, means any natural person or entity organized under the laws of any state of the United States with the legal power to enter into a binding contract and which bids or applies to bid on contracts for the provision of goods or services let by a public entity or which otherwise transacts or applies to transact

business with a public entity. The term "person" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in management of an entity.

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

_____ Neither the entity submitting this sworn statement, nor any of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, nor any affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989.

_____ The entity submitting this sworn statement, or one (1) or more of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989. However, there has been a subsequent proceeding before a Hearing Officer of the State of Florida, Division of Administrative Hearings and the Final Order entered by the Hearing Officer determined that it was not in the public interest to place the entity submitting this sworn statement on the convicted vendor list. (Attach a copy of the final order)

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

Date: _____

Signature

STATE OF _____

COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 2009, by _____, as _____ of _____, on behalf of _____.

☐ who is personally known to me, or ☐ who produced _____ as identification, who did take an oath, and who acknowledged before me that he executed the same freely and voluntarily for the purposes therein expressed.

(Notary Seal)

Signature

Print Name

NOTARY PUBLIC-STATE OF _____

My Commission Expires: _____

Commission No. _____

DRUG FREE WORK PLACE CERTIFICATION

SWORN STATEMENT PURSUANT TO ORDINANCE NO. 505, AMENDING CHAPTER 2, SECTION 2-57, PALMETTO CODE OF ORDINANCES, ON DRUG FREE WORK PLACES.

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

This sworn statement is submitted to the City of Palmetto (the "CITY"), by:

(Print individuals name and title)

For: _____

(Print name of entity submitting sworn statement)

Whose business is: _____

and (if applicable) its Federal Employer Identification Number (FEIN) is _____. (If the entity has no FEIN, include the social security number of the individual signing this sworn statement: _____)

I understand that no person or entity shall be awarded or receive a CITY contract for public improvements, procurement of goods or services (including professional services) or a CITY lease, franchise, concession or management agreement, or shall receive a grant of CITY monies unless such person or entity has submitted a written certification to the CITY that it will provide a drug free work place by:

1. Providing a written statement to each employee notifying such employee that the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance as defined by §893.02(4), Florida Statutes, as the same may be amended from time to time, in the person's or entity's work place is prohibited specifying the actions that will be taken against employees for violation of such prohibition. Such written statement shall inform employees about:
 - I. The dangers of drug abuse in the work place;
 - II. the person's or entity's policy of maintaining a drug free environment at all its work places, including, but not limited to, all locations where employees perform any task relating to any portion of such contract, business transaction or grant;
 - III. any available drug counseling, rehabilitation, and employee assistance programs; and
 - IV. the penalties that may be imposed upon employees for drug abuse violations.
2. Requiring the employee to sign a copy of such written statement to acknowledge his or her receipt of same and advise as to the specifics of such policy. Such person or entity shall retain the statements signed by its employees. Such person or entity shall also post, in a prominent place at all of its work places, a written statement of its policy containing the foregoing elements I through IV.
3. Notifying the employee in the statement required by subsection 1 that this is a condition of employment the employee will:

- I. Abide by the terms of the statement; and

- II. Notify the employer of any criminal drug statute conviction for a violation occurring in the work place no later than five (5) days after such a conviction.
4. Notifying the CITY within ten (10) days after receiving notice under subsection 3 from an employee or otherwise receiving actual notice of such conviction.
 5. Imposing appropriate personnel action against such employee up to and including termination; or requiring such employee to satisfactorily participate in a drug abuse assistance or rehabilitation program approved for such purposes by a federal,, state, or local health, law enforcement, or other appropriate agency.
 6. Making a good faith effort to continue to maintain a drug free work place through implementation of sections 1 through 5 stated above.

I UNDERSTAND THAT THE SUBMISSION OF THIS FORM TO THE CONTRACTING OFFICER FOR THE CITY OF PALMETTO IS VALID THROUGH DECEMBER 31 OF THE CALENDAR YEAR IN WHICH IT IS FILED. I ALSO UNDERSTAND THAT ANY CONTRACT OR BUSINESS TRANSACTION SHALL PROVIDE FOR SUSPENSION OF PAYMENTS, OR TERMINATION, OR BOTH, IF THE CONTRACTING OFFICER OF THE PALMETTO CITY CLERK DETERMINES THAT:

1. Such person or entity has made false certification;
2. such person or entity violates such certification by failing to carry out the requirements of sections 1, 2, 3, 4, 5 or 6 or Ordinance No. 505, amending Chapter 2, Section 2-57, Palmetto Code of Ordinances, or
3. such a number of employees of such person or entity have been convicted of violations occurring in the work place as to indicate that such person or entity has failed to make a good faith effort to provide a drug free work place as required by Ordinance No. 505.

(Signature)

STATE OF _____
COUNTY OF _____

The foregoing instrument was acknowledged before me this ____ day of _____, 2009, by _____, as _____ of _____, on behalf of _____.

☐ who is personally known to me, or ☐ who produced _____ as identification, who did take an oath, and who acknowledged before me that he executed the same freely and voluntarily for the purposes therein expressed.

(Notary Seal)

Signature

Print Name

NOTARY PUBLIC-STATE OF FLORIDA

My Commission Expires: _____

Commission No. _____