

Purvis Gray & Company

Certified Public Accountants



Ocala



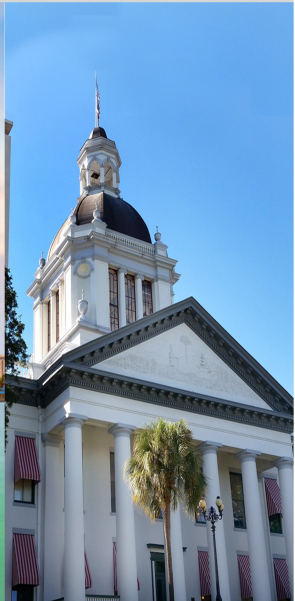
Gainesville



Serving Florida For
Over 70 Years



Sarasota



Tallahassee

AUDIT PROPOSAL

Gainesville Regional Utilities

ORIGINAL

Technical Criteria

RFP NO. CAUD-170010-DH

222 NE 1ST STREET GAINESVILLE, FL 32601

2347 SE 17TH STREET OCALA, FL 34471

5001 LAKEWOOD RANCH BLVD N. SUITE #101 SARASOTA, FL 34240

443 EAST COLLEGE AVE TALLAHASSEE, FL 32301



Purvis, Gray and Company, LLP

Celebrating 70 Years of Client Service!

REQUEST FOR PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

FOR GAINESVILLE REGIONAL UTILITIES TECHNICAL CRITERIA RFP NO. CAUD-170010-DH


Period of Performance: Fiscal Years Ending September 30, 2017, 2018, and 2019

Due Date: October 27, 2016

Contacts: Ronald D. Whitesides, CPA, Partner
RonW@purvisgray.com

Barbara Boyd, CPA, Partner
Bboyd@purvisgray.com

STATE OF FLORIDA
COUNTY OF ALACHUA

By: 

Ronald D. Whitesides, Partner

Sworn to and subscribed before me this 25 day of October, 2016

Personally known or Produced identification _____

My commission Expires:



Denise Noel Harris
NOTARY PUBLIC
STATE OF FLORIDA
Comm# FF954125
Expires 1/26/2020



Gainesville • Ocala • Tallahassee • Sarasota

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TRANSMITTAL LETTER

Gainesville Regional Utilities
City of Gainesville
Audit and Finance Committee
Gainesville, Florida

We appreciate the opportunity to present Purvis, Gray and Company, LLP (Purvis, Gray and Company) to your Audit and Finance committee and would take great pride in being retained as auditors for Gainesville Regional Utilities (GRU).

We have received your Request for Proposal RFP NO. CAUD-170010-DH (RFP) for Professional Auditing Services for the annual financial audit. We understand the scope of work to be performed and offer our proposal in response. We expressly agree to meet and exceed all performance specifications stated in your RFP.

Purvis, Gray and Company is a **state-wide CPA firm** employing approximately seventy-five professionals and support staff in our **Gainesville, Ocala, Sarasota, and Tallahassee offices**. Our multiple office locations throughout the state are the result of organic growth from within the firm, without merger or acquisition, which we attribute to our pursuit of technical excellence and great client service.

We are celebrating our 70th anniversary, having audited and advised Florida local governments almost since our inception in 1946. *Our firm is currently providing auditing services to; **twenty-five Florida municipalities, eight of which own and operate electric utilities, six Florida counties, six Florida school boards, seven rural electric cooperatives and many other governmental special districts and not-for-profit organizations.***

In addition, our current audit practice includes a concentration of electric utilities such as the Florida Municipal Power Agency (FMPA) and the Kissimmee Utility Authority (KUA), both of which own multiple electric generation units and own partial interests in various Orlando Utilities Commission, Stanton Energy Center coal and gas fired units. Additionally we audit Florida Gas Utility (FGU), Northwest Florida Water Management District, and two of the largest electric cooperatives in the country: Sumter Electric Cooperative, Inc. and Withlacoochee River Electric Cooperative, Inc. Finally, our heavy concentration of municipal audits also includes several electric, water, sewer and natural gas utilities, our experience in these utility industries will allow us to conduct your audit effectively, efficiently, and expertly.

We have extensive experience and are well received in the national bond markets, having served as auditors for clients issuing over a billion dollars of tax-exempt bonds. A list of several of the bond issues that we have been associated with are presented in the Firm Qualifications and Experience section of this proposal.

We have been honored to serve as GRU's auditors, which gives us experience with your organization and operating environment. We know your utility systems, rate structure, billing system, significant contracts, debt structure, accounting and information systems, work order system, continuing property records, service territory, key management, and cost structure, all of which informs our audit design and execution to provide the most cost effective and thorough audit of GRU. Over the course of our previous engagements with your organization, we believe we have filled a valuable role as independent external auditors as we have strived to provide a high level of client service, industry expertise and professionalism in the conduct of our audits.

Gainesville Regional Utilities
Audit and Finance Committee
Gainesville, Florida

We would like to stress three features of our audit process that differentiate us from other audit firms:

- **Partner involvement in all phases of the audit - planning, fieldwork, and Board/Management communication. Three partners have been heavily involved in our past audits of GRU.**
- **Extensive experience with utility audits, including our past experience auditing GRU. Importantly, the individuals on-site during conduct of your audit possess many years of utility experience.**
- **Year-round service to meet immediate needs. We are local and you know the type of service and expertise you will receive from us based upon our track record with you in the past. There is no guessing about our service level, expertise, or commitment to timeliness as there may be with others outside the area. We pledge to continue that record by committing individuals with long-term electric utility experience that will provide great service.**

Again, we appreciate the opportunity to present this commitment to serve you and look forward to the opportunity to continue with GRU if we are retained as your auditors. It has been an honor to serve GRU in the past years. If we can supply you with additional information or discuss this commitment further with you, we will be available at your convenience.

Respectfully submitted,

PURVIS, GRAY AND COMPANY, LLP



Ronald D. Whitesides, CPA
Audit Partner

Respectfully submitted,

PURVIS, GRAY AND COMPANY, LLP



Barbara Boyd, CPA
Audit Partner

BRIEF SUMMARY

Brief Summary

We are extremely pleased to present our credentials to provide audit services to GRU. You will continue to be a valued client and you can be assured that the engagement will receive expert attention and priority service from our firm. We are confident that we have the professional skills, relevant technical experience, and the commitment to provide the services that you require. Below is a brief executive summary of our experience, and the detailed information requested in your RFP begins on page 4.

Qualifications

Our firm maintains a specialized utility practice and we represent a large clientele of governmental utility and other utility providers throughout the State of Florida. We have also developed our presence in the local governmental industry to include water authorities, counties, school boards, airport authorities, community development districts, and all other manner of local government and governmental nonprofit organizations. Many of our municipal clients and several special districts operate water, wastewater, electric, and reuse utility systems, so we have continued to develop our utility expertise through the 70 years we've served this type of client. Some of our client with characteristics similar to yours include:

- *Florida Municipal Power Association (2004 to Present);*
- *Kissimmee Utility Authority (2008 to Present)*
- *Beaches Energy (1996 to Present)*
- *Withlacoochee River Electric Cooperative, Inc. (1970s to Present);*
- *Sumter Electric Cooperative, Inc. (1992 to Present);*
- *Talquin Electric Cooperative (1980s to Present);*
- *Florida Gas Utility (2003 to Present);*
- *Ocala Electric Utility (2000 to Present); and*
- *Gainesville Regional Utilities (2014 to Present);*

Qualifications of Our Professional Staff

Purvis, Gray and Company's number one priority is client service. The best way to provide valuable service is with quality personnel, and we pride ourselves on finding and hiring the best employees. Our Information Technology professionals have extensive experience and proficiency working in various computerized environments. They are familiar with a wide variety of fund accounting and operational software products. We believe that client service starts with open communication, and in-depth knowledge of GRU that will continue beyond the delivery of our product. We will respond quickly to your needs.

Audit Approach

Our approach is designed to avoid interruption of service, raise the standard of service and establish ongoing channels of communication with management and your selection committee. Previous clients have remarked on the ease of our transition with minimal disruption and investment of management's time. One of our firm's goals is to perform as much audit work as possible during interim fieldwork. This allows us to better schedule our annual workload, and minimizes the pressure on your staff to maintain timetables and meet deadlines after year-end. In addition, it permits the earliest possible identification and resolution of contentious or controversial accounting and auditing issues and we fully expect and intend to meet all of your audit deadlines.

External Quality Control

Our firm places a high priority on its quality control and has undergone a peer review made by the AICPA at least every three years since 1979. Our most recent review was performed in September 2013. We are pleased to report there was no letter of comment.

Client References

Purvis, Gray and Company is a known commodity in the state of Florida, and you can verify from our references the level of expertise and service you will be receiving from our firm.

Cost Effectiveness

We will conduct an effective audit as efficiently as possible for a competitive fee. Audit fees include year-round phone call troubleshooting, and research questions.

FIRM PROFILE

Firm Profile

Name of Business

The legal name of our firm is Purvis, Gray and Company, LLP (Purvis, Gray and Company). We are organized as a Florida Limited Liability Partnership authorized to do business in the State of Florida.

Contact Information

Mr. Ronald D. Whitesides, CPA
Partner
Purvis, Gray and Company, LLP
222 NE 1st Street
Gainesville, Florida 32601
352-378-2461 (Telephone)
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RonW@purvisgray.com

Ms. Barbara Boyd, CPA
Partner
Purvis, Gray and Company, LLP
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Gainesville, Florida 32601
352-378-2461 (Telephone)
352-378-2505 (Fax)
Bboyd@purvisgray.com

Business Hours

All members of the audit team will be available to your management team whenever we are needed. If our physical presence is not needed, our business e-mail addresses and cell phone numbers will be made available for your convenience, and we pride ourselves on responding timely to all client inquiries. Below are our regular business hours.

Monday through Friday – 8:00 am to 5:00 pm

In addition, we are available on Saturdays during the months of February through April.



State of Florida Practice Area

Purvis, Gray and Company is a state-wide CPA firm with office locations in Gainesville, Ocala, Sarasota, and Tallahassee. Accordingly, we consider the entire State of Florida our primary practice area.

Brief History of the Firm

Purvis, Gray and Company was founded in 1946, in Gainesville, Florida by two University of Florida accounting professors, Mr. Roy Purvis and Mr. Howard Gray. The firm has been in business for seventy years and has been auditing utilities and local governments for substantially all of that time. *Our multiple office locations throughout the state are the result of organic growth of the firm, without merger or acquisition, which we attribute to our pursuit of technical excellence and great client service.*

Purvis, Gray and Company operates on a departmental basis rather than an office basis. On many engagements, the audit team consists of individuals from more than one office. All of the firm's resources are available to all of the firm's clients and are utilized in that fashion to provide the best possible service.

Firm Profile

Memberships of Professional Organizations

Purvis, Gray and Company has been a member with the American Institute of Certified Public Accountants since 1978 (AICPA – Reference #1783188). Our firm continues to be in good standing with the AICPA and Florida Institute of Certified Public Accountants (FICPA – Member #02004618). Several of the partners and staff of Purvis, Gray and Company are members of the following organizations:

- **Professional Memberships**
 - AICPA
 - FICPA
 - Nature Coast Chapter FGFOA
 - Gulf Coast Chapter FGFOA
 - State of Florida League of Cities
 - Association of Government Accountants (AGA)
 - American Public Power Association (APPA)
 - FGFOA
 - GFOA
 - North Central Florida Chapter FGFOA
 - Southwest Chapter FGFOA
 - Big Bend Chapter FGFOA
 - Florida Electric Cooperative Association (FECA)

Firm’s Status

Purvis, Gray and Company is organized as a Florida Limited Liability Partnership, authorized to do business in the State of Florida. We were organized in 1946. We are a regional firm headquartered in Gainesville, Florida. We also have offices in Ocala, Tallahassee, and Sarasota. We consider the State of Florida to be our primary practice area.

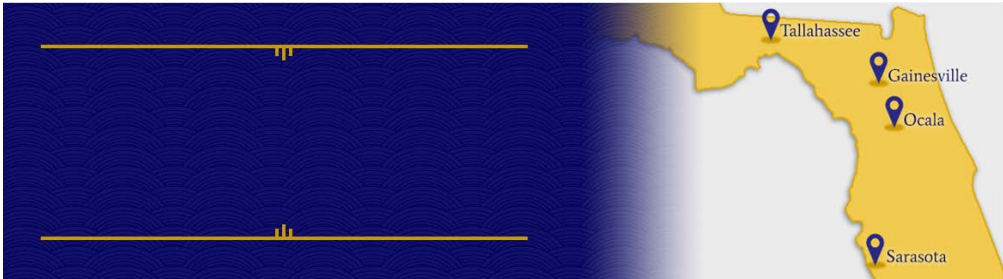
GRU’s audit will primarily be performed by our staff in the Gainesville office. We commonly use multiple offices on our audit engagements. This ensures that we draw upon the knowledge of our specialists in the utility field as well as the full resources of the entire firm. Personnel from our other locations will be called upon as needed.

Purvis, Gray and Company is the parent company of Purvis Gray Technology Group, LLC. Purvis Gray Technology Group specializes in accounting/financial information technology, business information technology, providing customized implementation, training, and support solutions.

No Joint Venture or Consortium

This will not be a joint venture with any other firms, and we will not use any other firms as subcontractors.

*Doing Business in the State of Florida
Since 1946*



Firm Profile

Firm Personnel

MANAGING PARTNER

David A. Gaitanis, C.P.A.

AUDIT DEPARTMENT

Partners

Ronald D. Whitesides, C.P.A.
Joseph J. Welch, C.P.A.
Mark A. White, C.P.A.
Helen Y. Painter, C.P.A.
Timothy M. Westgate, C.P.A.
Ryan M. Tucker, C.P.A.
Barbara Boyd, C.P.A.

Managers

Terry W. Kite, C.P.A.
Roberto A. Martinez, C.P.A.
Alison L. Stone, C.P.A.
Gary R. Heder, CISA, CRISC
Kevin R. Smith, C.P.A.
George W. Presnell, III, C.P.A.
Tiffany K. Mangold, C.P.A.
Kathryn B. Eno, C.P.A.

Professional Staff

Steven W. Huss, C.P.A.
Matthew B. Ganoe, C.P.A.
Kevin W. Fyfe, C.P.A.
Alexander P. Mackriss, C.P.A.
Mary C. Burns
Jeremiah M. Brown
Laurie A. Walker
Gabriel J. Terrell
Dennis D. Nguyen
Lauren A. Brown
Cason L. Camp
Ashley M. McGraw
Ken C. Lee
Katrina Schmidt
Karli R. Story
Samantha Yazwinski

ACCOUNTING AND TAX SERVICES

Partners

Steven T. Lee, C.P.A.
Andrew R. Spahn, C.P.A.
Fred L. Doerr, C.P.A.
James W. Patray, III, C.P.A.
Rachel A. Clements, C.P.A.

Managers

Eric J. Benton, C.P.A.
Janell M. Martin, C.P.A.
Lizette M. Wagoner, C.P.A.
Dana C. Davis, C.P.A.
Emily J. Newsom, C.P.A.
Helen A. Ingmarsson, C.P.A.
Jeremy T. Lacey, C.P.A.
Kimberly M. Mottl, C.P.A.
Lisa Marousky, C.P.A.
Heather J. Whitston, E.A.

Professional Staff

Belinda C. Rembert, C.P.A.
Leanne M. Rodriguez
Melissa N. Bender
Hiren R. Patel
Christopher M. Ziegler
Brent A. Bathurst

INFORMATION TECHNOLOGY DEPARTMENT

Partner in Charge

Timothy M. Westgate, C.P.A.

Network Consulting

Jon S. May, MCP
Gary R. Heder, CISA, CRISC
Joshua C. Cook, MCP, A+, NET+, VCP, MCSA, ITIL, MCTIP

Programmer/Analyst

Leah G. Oehmig, MCP.MBSS

ADMINISTRATION DEPARTMENT

FIRM ADMINISTRATOR/HUMAN RESOURCES DIRECTOR

PARAPROFESSIONALS – (4 Members Not Individually Listed)

SUPPORT STAFF – (13 Members Not Individually Listed)

INDEPENDENCE

Independence

We are independent certified public accountants as defined by generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. We are independent of GRU as defined in the U.S. General Accounting Offices' *Government Auditing Standards* and Generally Accepted Auditing Standards.

Currently, we audit the financials statements of GRU and have since September 30, 2014. Other than the performance of these annual audits and related agreed-upon procedures engagements, we have had no professional relationships involving GRU.

We confirm that we will give GRU written notice of any professional relationships entered into involving GRU, or any of its agencies or component units, during the period of this agreement.

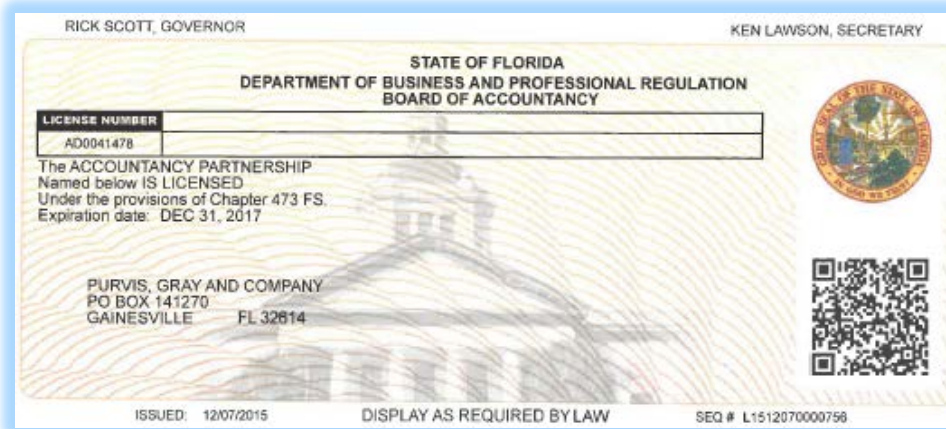


GENERAL REQUIREMENTS

General Requirements

Florida License

We are properly licensed and registered for public practice as certified public accountants in the State of Florida and all assigned professional staff are properly licensed and registered to practice as certified public accountants in the State of Florida. A copy of the license for each proposed team member is included in their individual resume later in this document and our firm license to practice in Florida is shown below:



No Disciplinary Action

We have no record of substandard work and have no enforcement actions pending by the State Board of Accountancy or any other regulatory agency or professional organization, nor have we had any such actions during the past ten years.

No Litigation Against the Firm

There are no pending lawsuits against Purvis, Gray and Company, nor have there been any within the last ten years.

Federal or State Desk Review, State Regulatory Bodies

Purvis, Gray and Company has received no adverse federal or state desk reviews, during the past ten years by state regulatory bodies or professional organizations.

**FIRM QUALIFICATIONS
AND EXPERIENCE**

Firm Qualifications and Experience

Range of Services

For seventy years, Purvis, Gray and Company has been of service to many utilities, local governments, and not-for-profit organizations. **Over 75% of our audit engagement hours are spent auditing utilities, local governmental, and not-for-profit clients. All of our partners and our audit staff have extensive utility, governmental, and not-for-profit experience.** Following is a summary of the services provided by the various departments within the firm:



Audit Department

The Audit Department is the largest department in the firm. The mission of the department is to achieve technical excellence which can be used to provide the highest level of quality service to our clients. This higher level of service sets us apart from other firms.

Our audit staff consists of seven partners, eight managers, and sixteen other professional staff. All of the partners and managers are CPAs, as are many of the other professional staff. If not CPAs, the professional staff are “exam-eligible” or working toward it.

Your “engagement team” will consist of six members, headed by two partners and a manager, with the partners on-site for a significant portion of fieldwork. For more information on the specific individuals committed to your engagement, please refer to the staffing diagram found on page 21.

Our audit staff has extensive experience working in a computerized environment and utilizes notebook computers in the field with Windows XP, and Microsoft Word and Excel. **We employ a paperless audit approach.** We utilize the “paperless” audit documentation system designed by CaseWare International, Inc., the premier industry technology, with an integrated wired or wireless connection in the field. **We are also familiar with most other word processing and spreadsheet software, and a wide variety of accounting software packages.**

All members of the audit team will be available to your management team whenever you need us. If our physical presence is not needed, our business e-mail addresses and cell phone numbers will be made available for your convenience, and we pride ourselves on responding timely to all client inquiries. **We will be available for troubleshooting year-round without additional billings.**

Accounting and Tax Services

The Accounting and Tax Services Department of Purvis, Gray and Company is often used in troubleshooting problem tax areas associated with audits of not-for-profit entities. Our tax professionals deal with issues such as bond arbitrage rebate calculations, payroll tax problems, ERISA compliance for employee benefit plans, unrelated business income tax issues, tax effects of planned giving, charitable annuities and remainder trusts, and other tax topics. This department is also responsible for the preparation of payroll and income tax returns for individuals and businesses including corporate, partnership, estate, and trust tax returns. In addition, this department provides tax research support to our Audit Department.

Firm Qualifications and Experience

Range of Services (Concluded)

Information Technology (IT) Department

In addition to supporting our firm's IT environment, the IT Auditor/Consultant assigned to GRU's audit engagement and our other IT Department professionals have extensive experience and proficiency working in various computerized environments. ***Our IT professionals are familiar with GRU's accounting and operational software products as a result of our previous audit engagements.***

Consulting

The consulting practice of Purvis, Gray and Company utilizes members of the Audit, Accounting and Tax Services, and IT Departments to perform a wide-range of consulting and management advisory services for our clients. Our consulting personnel have performed engagements in each of the following categories:

- **Accounting System Reviews and Documentation**
 - ▶ GASB Statement Implementations
 - ▶ Internal Control Reviews
 - ▶ Procedures Documentation
 - ▶ Performance Audits and Cost Reduction Studies
 - ▶ Feasibility/Efficiency Studies
 - ▶ Budget Review and Budget Preparation
- **Business Valuations and Reorganizations**
 - ▶ Business Ownership Succession
 - ▶ Business Valuations
 - ▶ Mergers and Acquisitions
 - ▶ Business Formations
 - ▶ Business Liquidations
- **Utility and Cost Studies**
 - ▶ Rate/Revenue Sufficiency Studies
 - ▶ Reviews of Power Supply (Electric and Gas) Alternatives
 - ▶ Overhead/Indirect/Other Cost Studies
 - ▶ Landfill Closure and Postclosure Analysis
 - ▶ IRS Arbitrage Rebate Calculations and Consultation
 - ▶ Utility Billing System Setup and Revision
 - ▶ Water-Sewer Work Order Systems and Property Records
 - ▶ FAS 71—Deferred Cost/Revenue Plans
- **Other Financial Services**
 - ▶ Expert Testimony
 - ▶ Personal Financial/Retirement Planning
 - ▶ Other Financial Services
 - ▶ Tax Representation
 - ▶ Fraud/Defalcation Engagements

Independence rules govern the performance of consulting services for clients audited under *Government Auditing Standards*. Any consulting services performed for GRU would be in compliance with those standards.

Firm Qualifications and Experience

Commitment to Electric Industry

Purvis, Gray and Company has served as auditors and financial consultants to the electric industry for over fifty years. Our experience began with the rural electric cooperatives and has grown to encompass municipal electric utilities throughout the State of Florida. Our philosophy has always been that to properly audit any client, you must understand the industry that they operate in. To that end, our years of experience and knowledge accumulation in the electric industry are second to none. During that time, we have become familiar with the following key areas of the electric industry:

■ **FERC Accounting**

- FERC Chart of Accounts
- Utility Plant Depreciation (Mass Units)
- Work Order Cost Accumulation (Materials, Labor, Overhead, and O.D.C.)
- Utility Plant Construction and Retirement Accounting
- Property Records, Retirement Units, and Assembly Units
- Special Equipment Accounting (Transformers, Meters, etc.)

■ **Electric Rates and Power Costs**

- NYMEX Natural Gas Hedges
- Interest Rate Swap Agreements
- Rate Regulated Entities
- Revenue Sufficiency and Rate Analysis
- Bulk Power Cost Adjustments and Fuel Adjustments
- Rate Classes: Residential, Commercial - Nondemand, Commercial - Demand, Large Power, Time of Day Interruptible, Irrigation, Street Lighting, etc.
- Power Supply Analysis and Contract Negotiation
- Crystal River III Nuclear Generation and Decommissioning
- Gross Receipts, Public Service and Sales Taxes on Electric Service
- Solar Tariffs
- Load Management Planning and Devices
- Hand-held Meter Reading Devices (ITRON, etc.)
- Utility Billing Procedures and Controls

Firm Qualifications and Experience

Experience with Electric Utilities

Purvis, Gray and Company is the premier firm for audits of electric utilities in the state of Florida. Electric utilities have complex accounting and regulatory requirements, and the understanding of these requirements is beneficial to audits of water, sewer, and other utilities. Below is a list of our electric utility audits during the past five years.



Electric Utilities

Municipalities and Special Districts

- City of Alachua
- City of Bartow
- City of Bushnell
- Florida Municipal Power Association, Orlando
- City of Fort Meade
- Gainesville Regional Utilities
- City of Green Cove Springs
- City of Jacksonville Beach
- Kissimmee Utility Authority, Kissimmee
- City of Mount Dora
- City of Newberry
- City of Ocala
- City of St. Cloud (OUC Electric Operating Agreement)
- City of Williston

Rural Electric Cooperatives

- Central Florida Electric Cooperative, Inc., Chiefland
- Choctawhatchee Electric Cooperative, Inc., DeFuniak Springs
- Lee County Electric Cooperative, Inc., North Ft. Myers
- Peace River Electric Cooperative, Inc., Wauchula
- Sumter Electric Cooperative, Inc., Sumterville
- Talquin Electric Cooperative, Inc., Quincy
- Withlacoochee River Electric Cooperative, Inc., Dade City



Firm Qualifications and Experience

Experience with Water and Sewer Utility and Governmental Sectors



Special Districts

- Bartow Municipal Airport Development Authority
- Dog Island Conservation District
- East County Water Control District
- Florida Gas Utility (FGU)
- Florida Municipal Power Agency (FMPA)
- Gainesville-Alachua County Regional Airport Authority
- Kissimmee Utility Authority (KUA)
- Lake Wales Airport Authority
- Lakewood Ranch CDDs
- North Sumter County Utility Dependent District
- Northwest Florida Water Management District
- Peace River Manasota Regional Water Supply Authority
- The Villages Community Development Districts
- Withlacoochee Regional Water Supply Authority

Water, Sewer, and Gas Utilities

- City of Alachua
- City of Atlantic Beach
- City of Belleview
- City of Bushnell
- City of Cape Coral
- DeSoto County
- Dog Island Conservation District, Tallahassee
- East County Water Control District, Lehigh Acres
- City of Eustis
- City of Fernandina Beach
- Florida Gas Utility, Gainesville
- City of Fort Meade
- Gainesville Regional Utilities
- City of Green Cove Springs
- Hernando County
- City of Jacksonville Beach
- City of Lake City
- City of Lake Wales
- City of Live Oak
- City of Neptune Beach
- City of Newberry
- North Sumter County Utility Dependent District
- City of Ocala
- Peace River Manasota Regional Water Supply Authority
- City of Sarasota
- Talquin Electric Cooperative, Inc., Quincy
- Town of Orange Park
- Village Center Community Development District & Affiliates, The Villages
- City of Williston
- Withlacoochee Regional Water Supply Authority, Dade City



Firm Qualifications and Experience

Similar Engagements with Other Governmental Entities

Our governmental experience includes the following audits during the past five years and indicates the primary office from which each governmental audit is staffed, years of audit service, and annual budget amount. Single Audits are indicated by an asterisk “(*)”.

Municipalities

- City of Alachua (Gainesville) 2009 to Present - \$39 Million*
- City of Atlantic Beach (Gainesville) 2004 to Present - \$63 Million*
- City of Bartow (Sarasota) 2008 to Present - \$60 Million*
- City of Belleview (Ocala) 2007 to Present - \$6.3 Million*
- City of Bushnell (Ocala) 1995 to Present - \$15.5 Million*
- Town of Bronson (Gainesville) 2006 to Present - \$2 Million*
- City of Cedar Key (Gainesville) 1987 to Present - \$4.5 Million*
- City of Dade City (Gainesville) 2014 to Present - \$11.5 Million
- City of Deltona (Ocala) 1995 to Present - \$62 Million*
- City of Eustis (Ocala) 1998 to Present - \$64 Million*
- City of Fernandina Beach (Tallahassee) 2004 to Present - \$87 Million*
- City of Fort Meade (Sarasota) 1996 to Present - \$16 Million*
- City of Green Cove Springs (Gainesville) 2010 to Present - \$42 Million*
- City of Jacksonville Beach (Tallahassee) 1996 to Present - \$160 Million*
- City of Lake City (Gainesville) 1998 to Present - \$40 Million*
- City of Live Oak (Gainesville) 2012 to Present - \$7 Million*
- City of Newberry (Gainesville) 2013 to Present - \$20 Million*
- City of Neptune Beach (Gainesville) 2013 to Present - \$15 Million*
- City of Ocala (Ocala) 2000 to Present - \$285 Million*
- City of Orange Park (Gainesville) 2014 to Present - \$40 Million*
- City of Sarasota (Sarasota) 2002 to Present - \$160 Million*
- City of St. Cloud (Ocala) 2012 to Present - \$150 Million*
- City of St. Augustine Beach (Gainesville) 2012 to Present - \$11 Million*
- City of Williston (Ocala) 2010 to Present - \$6 Million*



Counties

- Bradford County (Gainesville) 1994 to Present - \$23 Million*
- DeSoto County (Sarasota) 2001 to Present - \$59 Million*
- Gadsden County (Tallahassee/Gainesville) 2010 to Present - \$69 Million*
- Hernando County (Sarasota) 2008 to Present - \$350 Million*
- Marion County (Ocala) 2001 to Present - \$340 Million*
- Nassau County (Tallahassee/Gainesville) 2005 to Present - \$148 Million*

Education Related

- Alachua County District School Board (Gainesville) 2008 to Present - \$400 Million*
- Charlotte County School Board (Sarasota) 2011 to Present - \$275 Million*
- Citrus County School Board Internal Accounts (Ocala) 2014 to Present - \$4.5 Million
- Clay County School Board (Ocala) 2011 to Present - \$284 Million*
- Hernando County School Board (Ocala) 2011 to Present - \$188 Million*
- Lake County District School Board (Ocala) 2005 to Present - \$550 Million*
- Marion County School Board (Ocala) 2000 to Present - \$530 Million*
- The Villages Charter School, Inc. (Ocala) 2005 to Present*



Firm Qualifications and Experience

Pension Auditing Experience

Our firm is one of the premier audit firms for employee benefit plans in the State of Florida. Below are some of the retirement plans we have audited in the past five years.



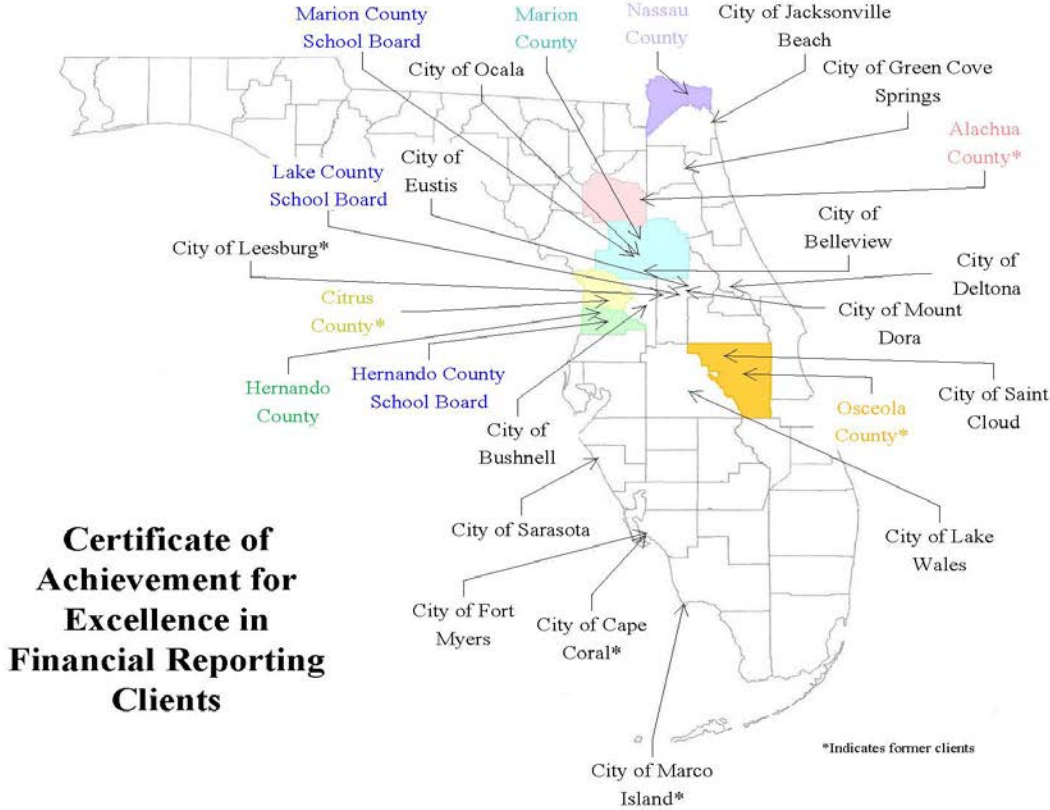
DEFINED BENEFIT PLANS

- City of Atlantic Beach, Florida General Employees’ Retirement Plan
- City of Atlantic Beach, Florida Police Retirement Plan
- City of Bartow General Employees’ Retirement Plan
- City of Belleview, Florida General Employees’ Retirement Fund
- City of Belleview, Florida Police Officers’ Retirement Fund
- Clay Electric Cooperative Retiree Welfare Plan
- City of Dade City, Florida Firefighters’ Pension Trust Fund
- City of Dade City, Florida Police Officers’ Pension Trust Fund
- City of Deltona, Florida Firefighters’ Pension Plan
- City of Deltona, General Employees’ Pension Plan
- City of Dunnellon, Florida General Employees’ Pension Plan
- City of Dunnellon, Florida Police Officers’ and Firefighters’ Pension Plan
- City of Eustis, Florida Police Officers’ Retirement Plan
- City of Eustis, Florida Firefighters’ Retirement Plan
- City of Fernandina Beach, Florida General Employees’ Pension Plan
- City of Fernandina Beach, Florida Police Officers’ and Firefighters’ Pension Plan
- Florida Pest Control and Chemical Company, Inc. Pension Plan and Trust
- City of Fort Meade, Florida General Employees’ Pension Plan
- City of Fort Meade, Florida Police Officers’ Pension Plan
- City of Fort Meade, Florida Firefighters’ Pension Plan
- City of Green Cove Springs, Florida Police Officers’ Pension Plan
- City of Jacksonville Beach, Florida General Employees’ Retirement System
- City of Jacksonville Beach, Florida Police Officers’ Retirement System
- City of Jacksonville Beach, Florida Fire Fighters’ Retirement System
- Kissimmee Utility Authority Pension Trust Fund
- City of Lake City, Florida General Employees’ Retirement Plan
- City of Lake City, Florida Firemen’s Retirement Plan
- City of Lake City, Florida Police Retirement Plan
- City of Lake Wales, Florida General Employees’ Defined Benefit Retirement Plan
- City of Leesburg, Florida General Employees’ Retirement Plan
- City of Leesburg, Florida Municipal Police Retirement Plan
- City of Leesburg, Florida Municipal Firemen’s Retirement Plan
- City of Live Oak, Florida Firefightter Pension Trust Fund
- Munroe Regional Medical Center Pension Plan
- City of Neptune Beach, Florida Police Officers’ Pension Plan
- City of Ocala, Florida Police Officers’ Pension Plan
- City of Ocala, Florida Firefighter Pension Plan
- City of Orange Park, Florida Police Officers’ Pension Plan
- City of Orange Park, Florida Fire Fighters’ Pension Plan
- City of Orange Park, Florida General Employees’ Pension Plan
- City of St. Cloud, Florida General Employees’ Retirement Plan
- City of St. Cloud, Florida Police Officers’ and Firefighters’ Retirement Plan
- City of Sarasota, Florida General Employees’ Pension Plan

Firm Qualifications and Experience

Familiarity with the Certificate of Achievement for Excellence in Financial Reporting Program

The technical consultant and independent review partner assigned to GRU’s audit, Mr. Mark A. White, CPA is a member of the FGFOA Technical Resources and Programs Committees (including the FRS-GASB 68 Task Force). He serves on the GFOA Special Review Committee for the Certificate of Achievement for Excellence in Financial Reporting. As such, they review CAFRs on behalf of GFOA all through the year, learning new techniques and presentation to help the City of Gainesville, which includes GRU disclosures, retain this award. Members of the audit team assigned to GRU’s audit are members of FGFOA, attend FGFOA continuing professional education events, and have provided technical expertise and assistance to some of the following local governments and helped these governments receive the Certificate of Achievement for Excellence in Financial Reporting:



Firm Qualifications and Experience

Compliance with Laws and Regulations

The auditor is responsible for testing compliance with laws and regulations that would have a material effect on GRU’s financial statements. As such, we will design our audit programs to ensure compliance with key areas, including the Bond Resolution, debt covenants, rate structure, and significant contractual requirements.

Tax-exempt Bond Experience

As a large regional CPA firm, Purvis, Gray and Company is well received by underwriters, financial advisors, and insurers in the tax-exempt bond markets. We have provided assistance to the following clients in dealing with the tax-exempt bond markets on numerous occasions:

| <u>Governmental Client</u> | <u>Amount</u> |
|--|---------------|
| City of Alachua | \$ 27,230,000 |
| Alachua County, Florida | 17,136,400 |
| District School Board of Alachua County | 225,000 |
| City of Atlantic Beach, Florida | 61,475,750 |
| City of Belleview, Florida | 3,000,000 |
| City of Bushnell, Florida | 3,558,000 |
| City of Cape Coral, Florida | 167,920,000 |
| Clay County District School Board | 620,000 |
| City of Deltona, Florida | 201,925,000 |
| DeSoto County, Florida | 32,556,000 |
| City of Eustis, Florida | 2,200,000 |
| City of Fernandina Beach, Florida | 8,865,000 |
| Florida Gas Utility | 694,175,000 |
| Florida Municipal Power Association | 1,152,390,000 |
| City of Fort Meade, Florida | 4,565,887 |
| City of Fort Myers, Florida | 146,088,741 |
| Gadsden County, Florida | 1,366,801 |
| Gainesville-Alachua Regional Airport Authority | 7,410,580 |
| Gainesville Regional Utilities | 68,950,000 |
| City of Green Cove Springs, Florida | 5,500,000 |
| Hernando County, Florida | 46,140,000 |
| District School Board of Hernando County | 2,323,000 |
| City of Jacksonville Beach, Florida | 159,164,335 |
| Kissimmee Utility Authority | 30,005,000 |
| City of Lake City, Florida | 63,759,650 |
| Lakewood Ranch Community Development District (5 CDDs) | 4,905,000 |
| District School Board of Lake County | 13,525,000 |
| City of Lake Wales, Florida | 25,257,629 |
| City of Leesburg, Florida | 149,205,000 |
| Marion County, Florida | 257,329,821 |
| Marion County District School Board | 8,704,500 |
| City of Mount Dora, Florida | 11,198,400 |
| Nassau County, Florida | 38,472,307 |
| City of Ocala, Florida | 217,805,000 |
| Osceola County, Florida | 273,335,000 |
| Peace River/Manasota Regional Water Supply Authority | 42,695,000 |
| City of Sarasota, Florida | 214,256,000 |
| City of St. Cloud, Florida | 80,586,000 |
| Village Community Development Districts (15 CDDs) | 686,312,031 |

Firm Qualifications and Experience

Tax-exempt Bond Experience *(Concluded)*

In addition to our bond experience, Purvis, Gray and Company also provides assistance with the following:

- Assisting bond counsel in drafting bond indentures which are consistent with accounting principles and terminology.
- Designing economic covenants which are achievable by the issuer and provide acceptable security to buyers.
- Meeting with underwriters, bond rating agencies and bond buyers to clarify accounting and financial matters.
- Providing required certifications that covenants or other indenture requirements have been met.
- Provision of comfort letters to underwriters and other representations.
- Computations of arbitrage rebates pursuant to Sections 148 and 103 of the Internal Revenue Code.
- Providing escrow verification reports.
- Compiling required secondary market disclosure.
- Preparing parity debt reports and calculations.

References

| | | |
|----------------------------|--|--|
| Client Name: | FLORIDA MUNICIPAL POWER AGENCY | |
| Scope of Work | Audit of all Agency operations (a Florida Special District). | |
| Date | September 30, 2004 to Present | |
| Total Hours | 900 | |
| Engagement Partners | Mark A. White, CPA and Helen Y. Painter, CPA | |
| Engagement Manager | Kathryn B. Eno, CPA | |
| Contact Information | Mr. Mark Larson, CPA, CFO 8553 Commodity Circle Orlando, Florida 32819 | (407) 355-7767 mark.larson@fmpa.com |

| | | |
|----------------------------|---|--|
| Client Name: | KISSIMMEE UTILITY AUTHORITY | |
| Scope of Work | Audit of all Authority operations including defined benefit pension plan. Serves approximately 65,000 electric customers. | |
| Date | September 30, 2008 to Present | |
| Total Hours | 800 | |
| Engagement Partner | Mark A. White, CPA | |
| Engagement Manager | Kathryn L. Eno, CPA | |
| Contact Information | Mr. Joseph Hostetler, V.P. of Finance & Risk Management 1701 W. Carroll Street Kissimmee, Florida 34741 | (407) 933-7777 jhostetl@kua.com |

Firm Qualifications and Experience

References (Concluded)

| | |
|----------------------------|--|
| Client Name: | WITHLACOOCHEE RIVER ELECTRIC COOPERATIVE |
| Scope of Work | Audit of all Cooperative operations, including nonprofit subsidiaries and preparation of federal and state tax returns. Serves approximately 200,000 electric customers. |
| Date | December 31, 1978 to Present |
| Total Hours | 400 |
| Engagement Partners | Joseph J. Welch, CPA, and Robert O. Dale, CPA |
| Engagement Manager | Roberto A. Martinez, CPA |
| Contact Information | Mr. Ronnie Deese, Accounting & Finance Manager (352) 567-5133 and rdeese@wrec.net Ms. Linda Mann, CPA, Controller lmann@wrec.net 14651 21 st Street Dade City, Florida 33523 |

| | |
|----------------------------|--|
| Client Name: | CITY OF JACKSONVILLE BEACH, FLORIDA |
| Scope of Work | Audit of all City operations, including Single Audit of federal and state grant programs. Participates in the GFOA Certificate Program. |
| Date | September 30, 1996 to Present |
| Total Hours | 600 |
| Engagement Partners | Joseph J. Welch, CPA, and Ryan M. Tucker, CPA |
| Engagement Senior | Steven W. Huss, CPA |
| Contact Information | Ms. Karen Johns, CPA, Finance Director (904) 247-6136 11 North 3 rd Street kjohns@jaxbchfl.net Jacksonville Beach, Florida 32250 |

| | |
|----------------------------|--|
| Client Name: | FLORIDA GAS UTILITY |
| Scope of Work | Audit of all Agency operations (a Florida Special District). |
| Date | September 30, 2003 to Present |
| Total Hours | 200 |
| Engagement Partner | Ronald D. Whitesides, CPA |
| Engagement Manager | Kevin R. Smith, CPA |
| Contact Information | Mr. Tom Geoffroy, CEO (352) 334-0770 4619 NW 53 rd Avenue tgeoffroy@flgas.com Gainesville, Florida 32606 |

Understanding the Scope of the Work

We have read and understand the Scope of Services as listed in Section II, pages 9 through 12 of your RFP. ***We give you our express commitment to meet or exceed the performance requirements and time specifications contained therein.***

**PARTNER, SUPERVISORY AND STAFF
QUALIFICATIONS AND EXPERIENCE**

Partner, Supervisory and Staff Qualifications and Experience

Firm's Professional Personnel

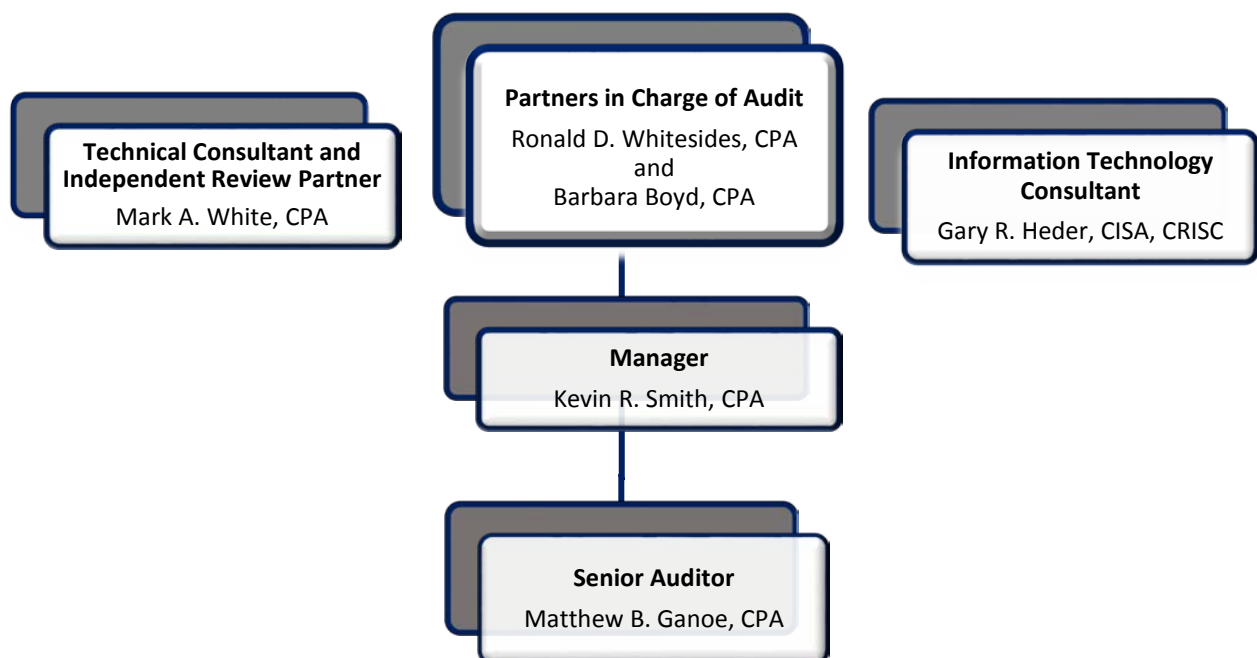
Audit Team Members

The firm that will be the most qualified to serve as auditors for GRU will be the one that can demonstrate its qualifications through past experience, education, and high quality control considerations. Our firm's approach to staffing audit engagements is to choose partners, managers, and staff based upon a combination of the expertise, experience, and technical ability needed to perform the audit engagement efficiently, and the location of the office. **The individuals assigned to this engagement are all full-time auditors and possess the necessary technical skills and experience to ensure that GRU receives the highest level of service.** All personnel assigned to this engagement have met or exceeded all of the CPE requirements of the "Yellow Book" as required by the *Rules of the Auditor General*. **One thing we do differently from other firms – we regularly put partners in the field.**



Mr. Ronald D. Whitesides, CPA, and Ms. Barbara Boyd, CPA will be the partners in charge of GRU's audit engagement, and the team members ultimately responsible for managing the relationship with GRU. They will be assisted by Mr. Mark A. White, CPA, partner, as technical consultant and independent reviewer. The remaining personnel assigned to GRU's audit will consist of a manager and a senior auditor who are CPAs. The partners, manager, and senior auditor will be present during a significant amount of the audit fieldwork. We expect the entire audit team to return to GRU on an annual basis. We also have an IT consultant assigned to your engagement team.

Listed below are the roles of each member of the audit team and a brief description of their qualifications.



Partner, Supervisory and Staff Qualifications and Experience

Firm's Professional Personnel (Continued)

Team Roles

■ **Role of the Partners in Charge of Audit**

Overall responsibility for excellent client service, will work closely with client's management and manager to ensure that all work is properly planned, executed, and completed. Conducts entrance, exit, and interim work conferences with client and participates extensively in audit fieldwork and the review process.

■ **Role of the Technical Consultant and Independent Reviewer**

This team member will provide consultation and review of technical accounting and auditing issues, and a final "cold" review of the audited financial statements and reports.

■ **Role of the Manager**

Generally responsible for planning, coordinating, conducting, and completing fieldwork and report preparation. Reviews staff-prepared workpapers and reports and client-prepared financial statements. Keeps Partners in Charge and client fully informed on job status. Participates in entrance, exit, and interim work conferences.

■ **Role of the Senior Auditor**

Responsible for assisting the manager as needed. Provides additional client contacts. Participates in fieldwork.

■ **Role of the Information Technology Consultant**

This team member will supervise or perform the review of GRU's Information Technology Environment and key IT General Controls, Application Controls, and IT-Dependent Manual Controls in consultation with the audit team. He will also supervise or perform Computer Assisted Audit Techniques (CAAT) or data analysis in consultation with the audit team. This team member will provide recommendations to strengthen GRU's Information Technology Environment and IT-related controls. He will also provide assistance on any IT-related issues, as deemed necessary by the audit team.

Continuing Quality of Staff

We expect your audit team members to be available throughout your contract and option periods. While some staff turnover inevitably occurs, our firm makes every effort to maintain the high quality of our staff. We do this through hiring the best people, providing more than the minimum required continuing education, mentoring, and, most importantly, upper management participate in the audit fieldwork thereby providing true on-the-job training. We do not hire seasonal employees and staff turnover has been relatively low compared to industry standards in the past three years. If it did become necessary to change any team members on your audit, it would be discussed with you in advance, and we would obtain your written approval. GRU has the right to approve or reject replacements.

Résumés - Qualifications of Firm Personnel

Beginning on the next page, the partners in charge, consultants, manager, and senior résumés provide more specific information for each individual, especially their participation in utility and local government audits, relevant continuing professional education for the past three years, memberships, and copy of licenses to practice as a Certified Public Accountant in the State of Florida.



Ronald D. Whitesides, CPA

Audit Partner

Chair of Audit Department

Member of Quality Control Team

Member of Concurring Review Team

Contact Information

- Gainesville, Florida
- (352) 378-2461
- rwhitesides@purvisgray.com
- www.purvisgray.com

Profile:

Education:

Graduated University of Florida
1991, Masters, Accounting

Professional Credentials

CPA Certificate – 1992

Member AICPA, FICPA and FGFOA

Years in Accounting: 26

Years with Firm: 24

Experience Serving Clients

Utility Experience

- City of Alachua, Florida (E, W, S)
 - City of Atlantic Beach, Florida (W, S)
 - City of Fernandina Beach, Florida (W, S)
 - Florida Gas Utility (G)
 - Gainesville Regional Utilities, Florida (E, G, W, S)
 - City of Fort Meade, Florida (E, W, S)
 - Glades Electric Cooperative, Inc. (E)
 - City of Green Cove Springs, Florida (E, W, S)
 - City of Jacksonville Beach, Florida (E, W, S)
 - City of Lake City, Florida (G, W, S)
 - Nassau County, Florida (W, S)
 - City of Neptune Beach, Florida (W, S)
 - City of Newberry, Florida (E, W, S)
 - Town of Orange Park, Florida (W, S)
 - Peace River Electric Cooperative, Inc. (E)
 - Withlacoochee River Electric Cooperative, Inc. (E)
- (E)—Electric (G)—Natural Gas (W)—Water (S)—Sewer

Governmental Experience

- Alachua County, Florida*
- Alachua County Housing Authority*
- City of Alachua, Florida*
- City of Atlantic Beach, Florida*
- Bradford County, Florida*
- City of Fernandina Beach, Florida*
- Flagler County, Florida*
- Florida Gas Utility
- City of Fort Meade, Florida*
- City of Fort Myers, Florida*
- Gadsden County, Florida*
- City of Green Cove Springs, Florida*
- Hardee County, Florida*
- City of Jacksonville Beach, Florida*
- City of Keystone Heights, Florida*
- City of Lake City, Florida*
- Nassau County, Florida*
- City of Newberry, Florida*
- City of Neptune Beach, Florida*
- Town of Orange Park, Florida*
- City of St. Augustine Beach, Florida*
- Office of the Auditor General of the State of Florida
- University of Florida Division of Housing
- University of Florida Division of Parking
- Wakulla County, Florida*

Ronald D. Whitesides, CPA

Audit Partner

Chair of Audit Department

Member of Quality Control Team

Member of Concurring Review Team

Experience Serving Clients (Concluded)

School Board Experience

Alachua County District School Board*

Clay County District School Board*

Health Care Experience

Bridgeway Center, Inc.

Central Florida Health Care, Inc.*

Citrus Memorial Hospital

District 3 Community Health Purchasing Alliance, Inc.

Family Practice Medical Group, Inc.

Marion-Citrus Mental Health Centers, Inc.*

Mental Health Services, Inc.*

Meridian Behavioral Healthcare, Inc.*

North Florida Regional Freestanding Surgery Center, L.P.

North Florida Regional GI Center, L.P.

Rural Health Care, Inc.*

Southeast Tissue Alliance, Inc.

University of Florida College of Dentistry

University of Florida College of Nursing

University of Florida Tissue Bank, Inc.

Not-For-Profit Experience

Alliance for Economic Development, Inc.

American Orchid Society, Inc.

Bates Realities - HUD Project

Council for Economic Outreach, Inc.

Cris Collinsworth Foundation

FICPA Education Foundation, Inc.

FICPA Political Action Committee, Inc.

Florida Institute of Certified Public Accountants, Inc.

Florida Leadership and Educational Foundation, Inc.

Gainesville Area Chamber of Commerce, Inc.

Gainesville Golf and Country Club

Oak Hall Private School, Inc.

Ronald McDonald House of Gainesville, Inc.

Southern Legal Counsel, Inc.

University of Florida College of Veterinary Medicine, Inc.

Other Experience

Applied Management Consulting, Inc.

Applied Technology and Management, Inc.

Family Center Condominium Association, Inc.

Gulf Construction Services, L.P.

Jones, Edmunds and Associates, Inc.

Loncala, Incorporated

Medical Arts Condominium Association, Inc.

Parrish Construction Group, Inc.

M.M. Parrish Construction Company, Inc.

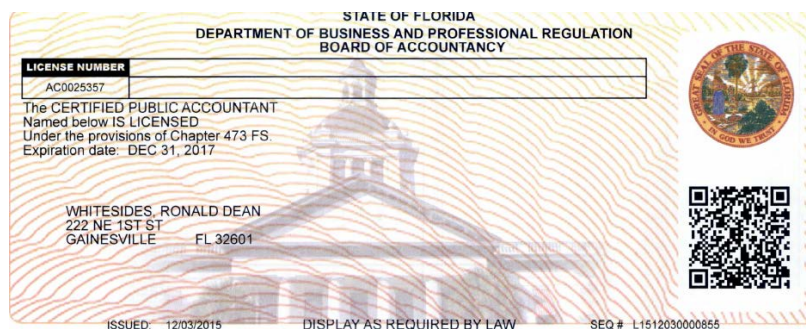
Smith and Gillespie Engineers, Inc.

Tallahassee Diagnostic Imaging Center Partnership

Trade-PMR, Inc.

*OMB Circular A-133 Single Audits and/or Florida Single Audits

CPA License



Ronald D. Whitesides, CPA

Audit Partner

Chair of Audit Department

Member of Quality Control Team

Member of Concurring Review Team

Educational and Professional Involvement

Mr. Whitesides is in full compliance with the continuing educational requirements set forth under U.S. General Accounting Office (GAO), *Government Auditing Standards*. A list of the relevant continuing professional education for the past three years follows:

2016—COURSE TITLES OR DESCRIPTIONS

FGFOA 2016 Annual Conference:

- GASB Hot Topics
- GASB Update
- Accounting Complexities Facing Local Government
- Local Government Accountability Update
- Opening General Session
- Pensions and Other Post-Employment Benefits
- Economic Update and Market Outlook
- Integrating IT into the Audit Process
- New Police and Fire Pension Legislation for Chapters 175 and 185

FGFOA 2016 Annual Conference(Concluded):

- Other Investments – Is the Risk Worth the Return?
 - Implementing the OMB's New Super Circular
 - Yellow Book and Single Audit Update
- PGC Summer 2016 CPE:**
- GASB 68, Trials & Tribulations, Year II
 - ERISA Employee Benefit Plans Audit Update / ERISA Audit Best Practices, Sample Audit Findings, & Disclosures
 - 990s for Auditors
 - Auditing IT General Controls in a Government

2015—COURSE TITLES OR DESCRIPTIONS

NCF Chapter of the FGFOA:

- Keynote Speaker: Jeremy Foley
- Investments
- Construction Audits
- It's Okay to Be the Boss
- General Fraud Red Flags for Finance Officers

GAQC 2015 Annual Update Webcast

Accounting & Auditing Update; Pronouncements & Issues 2015

2015 Ethics: Protecting the Integrity of Florida CPAs

PGC Summer 2015 CPE – Part 2:

- Firm Inspection & Peer Review – Results & Reminder
- Is it Consulting or Agreed-Upon Procedures

PGC Summer 2015 CPE – Part 2 (Concluded):

- Single Audit Changes
- Internal Control over Utility Billing
- Internal Control over Payroll in a Governmental Entity
- SSARS 21
- SOC Reports: How to Effectively Use them on Your Audit Engagements
- Nonattest Services & Independence – Recent Changes in the Standards & Documentation Requirements
- Introduction to IT Reviews
- Employee Benefit Plan Deficiencies & Conference Highlights
- GASB 70, Nonexchange Financial Guarantees
- GASB Employer & Pension Plan Implementation

2014—COURSE TITLES OR DESCRIPTIONS

FGFOA 2014 Conference:

- GASB Hot Topics
- GASB Update
- Accounting & Financial Reporting for Pensions, GASB Statements No. 67 & 68
- Local Government Accountability Update
- Federal Single Audit Act Update
- Cost Allocation
- Accounting Complexities Facing Local Governments
- Internal Audit Forum
- Municipal Utility Operations—Internal Controls & Best Practices

Summer CPE Session:

- Implementing GASB Statements No. 67 & 68
- Single Audit—Super Circular

GASB 65 Refresher

- Financial Reporting Framework for Small & Medium Size Entities
- Accounting & Auditing for Utilities
- Accounting & Auditing for Utilities—Instructor Credit
- Compliance Pitfalls & Corrective Measures for Qualified Retirement Plans
- The Resurgence of Defined Benefit Plans for Small Businesses
- Tax Efficient Plan Designs for Small Businesses
- Fringe Benefit Plans
- Florida Sales & Use Tax: What Every Buyer & Seller Should Know
- The Affordable Care Act (ACA) Beyond 2014 & the CPA

Fall CPE Session:

- GASB & Not-For-Profit Highlights
- The Pension Standards, GASB Statements No. 67, 68, & 71s



Barbara Boyd, CPA

Audit Partner

Member of Quality Control Team

Member of Concurring Review Team

Speaker/Instructor

FASB Codification – 2009

Local Governmental Handbook – 2010

Fair Value Accounting and Disclosure – 2012

Understanding Audits of Group Audits and Revisiting GASB No. 61 – 2013

Single Audit – Super Circular – 2014

GASB Update – NCF and Big Bend Chapters FGFOA, 2016

Author

Bond Refundings After GASB 65 – FGFOA Newsletter, 2015

Experience Serving Clients

Utility Experience

- City of Alachua, Florida (E, W, S)
- City of Fernandina Beach, Florida (W, S)
- Gainesville Regional Utilities, Florida (E, G, W, S)
- City of Green Cove Springs, Florida (E, W, S)
- City of Lake City, Florida (G, W, S)
- Nassau County, Florida (W, S)
- City of Newberry, Florida (E, W, S)

(E)—Electric (G)—Natural Gas (W)—Water (S)—Sewer

Governmental Experience

- Alachua County Housing Authority*
- City of Alachua, Florida*
- City of Atlantic Beach, Florida*
- Bradford County, Florida*
- City of Deltona, Florida*
- City of Eustis, Florida*
- City of Fernandina Beach, Florida*
- Gainesville Regional Utilities, Florida
- City of Green Cove Springs, Florida*
- Florida Gas Utility*
- Hernando County, Florida
- City of Lake City, Florida*
- City of Leesburg, Florida*
- Nassau County, Florida
- City of Newberry, Florida

Contact Information

- Gainesville, Florida
- (352) 378-2461
- bboyd@purvisgray.com
- www.purvisgray.com

Profile:

Education:

- Graduated University of Florida
- 2008, Master of Accountancy
- 2003, BS, Business Administration

Professional Credentials:

- CPA Certificate - 2009
- Member AICPA, FICPA, and FGFOA

Current Committees:

- FGFOA Technical Resources Committee

Years in Accounting: 12

Years with Firm: 10

Barbara Boyd, CPA

Audit Partner

Member of Quality Control Team

Member of Concurring Review Team

Experience Serving Clients (*Concluded*)

Not-For-Profit Experience

American Orchid Society, Inc.
American Society for Metabolic and Bariatric Surgery
Foundation, Inc.
American Society for Metabolic and Bariatric Surgery, Inc.
Florida Health Professions Association, Inc.
Florida Veterinary Medicine Faculty Association, Inc.
Meridian Behavioral Healthcare, Inc.*
North Central Florida YMCA, Inc.
Partnership for Strong Families*
Southern Legal Counsel, Inc.
University of Florida 4-H Foundation, Inc.
University of Florida Law Center Association, Inc.

School Board Experience

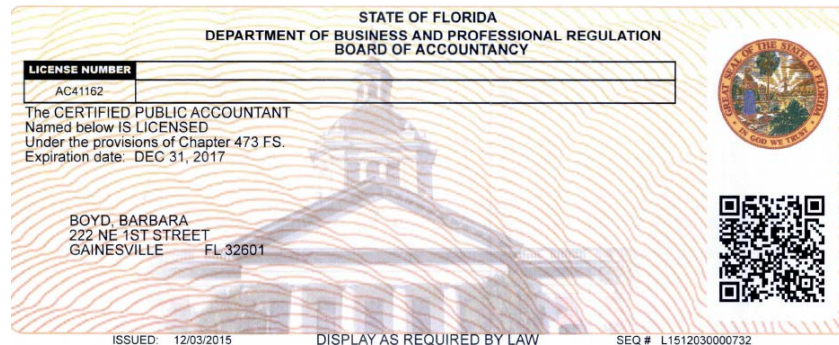
Alachua County District School Board*
Alachua County District School Board Internal Accounts

Health Care Experience

Florida Health Professions Association, Inc.
Meridian Behavioral Healthcare, Inc.*
North Florida GI Center, L.P.
North Florida Regional Freestanding Surgery Center, L.P.

*OMB Circular A-133 Single Audits and/or Florida Single Audits

CPA License



Educational and Professional Involvement

Ms. Boyd is in full compliance with the continuing educational requirements set forth under U.S. General Accounting Office (GAO), *Government Auditing Standards*. A list of the relevant continuing professional education for the past three years follows:

Barbara Boyd, CPA

Audit Partner

Member of Quality Control Team

Member of Concurring Review Team

2016—COURSE TITLES OR DESCRIPTIONS

North Central Chapter of the FGFOA Annual Meeting 2016:

onUp Momentum...Sparking the Conversation for Financial Confidence

GASB Update Part 1

GASB Update Part 1-Ins Cred

GASB Update Part 2

GASB Update Part 2-Ins Cred

Single Audit Update

Investment Analyst Challenge

Policy & Cash Flow Updates

Internal Controls – Systems of Checks & Balances

FGFOA 2016 Annual Conference:

GASB Hot Topics

Accounting Complexities Facing Local Governments

Local Government Accountability Update

Pensions & Other Post-Employment Benefits

FGFOA 2016 Annual Conference (Concluded):

Best Practices for an Effective Year-End

Integrating IT into the Audit Process

Steps to Minimize Fraud

Implementing the OMB's New Super Circular

Yellow Book & Single Audit Update

PGC Summer 2016 CPE:

Uniform Guidance: Understanding Key Changes

GASB 68, Trials & Tribulations, Year II

GASB 68, Disclosures & RSI

Firm Inspection & Peer Review – Results & Reminders

ERISA Employee Benefit Plans Audit Update / ERISA Audit Best Practices, Sample Audit Findings, & Disclosures

990s for Auditors

Auditing IT General Controls in a Government

2015—COURSE TITLES OR DESCRIPTIONS

Winter CPE Session 2015:

All in the Family: Employer Grouping for the ACA

Individual Updates and ACA for Individuals

Who are You Supporting: An Exempt Org Update

Estate, Gift, & Trust

SSARS Changes & Updates

FGFOA NCF Chapter Meeting:

Keynote Speaker: Jeremy Foley

Investments

Construction Audits

It's Okay to Be the Boss

General Fraud Red Flags for Finance Officers

Public Finance & Bond Market Update

Accounting & Auditing Update: Pronouncements & Issues 2015

2015 Ethics: Protecting the Integrity of Florida CPAs

PGC Summer 2015 CPE – Part 2:

Firm Inspection & Peer Review – Results & Reminders

Is it Consulting or Agreed-Upon Procedures

Single Audit Changes

PGC Summer 2015 CPE – Part 2 (Concluded):

Internal Control over Utility Billing

Internal Control over Payroll in a Governmental Entity

SSARS 21

SOC Reports: How to Effectively Use Them on Your Audit Engagements

Nonattest Services & Independence – Recent Changes in the Standards & Documentation Requirements

Introduction to IT Reviews

Employee Benefit Plan Deficiencies & Conference Highlights

Lean Six Sigma

Like-Kind Exchanges & Casualty Losses

PGC Fall CPE Session:

Government and Not-for-Profit Highlights

GASB 72 Fair Value Measurement & Application – New Financial Reporting & Disclosure Requirements

Now is the Time – Have You Looked at Your Internal Controls?

GASB 68 – It's Implementation Time, Are You Ready?

Tax Projections

Overview of the Coming XCM Changes

2014—COURSE TITLES OR DESCRIPTIONS

Repair & Maintenance Capitalization Rules

FGFOA 2014 Annual Conference:

GASB Hot Topics

Translating Leadership Qualities Into Behaviors

Local Government Accountability Update

Federal Single Audit Act Update

Accounting Complexities Facing Local Governments

Municipal Utility Operations—Internal Controls & Best Practices

FSFOA 2014 Summer Conference:

DOE Update

Cost Report

Omni Circular & Community Eligibility Option

FRS—Forecasting, Actuarial Study & GASB Requirements

Leadership

Legislative Update

FTE—Reporting Recalibration

FSFOA 2014 Summer Conference (Concluded):

Affordable Health Care

Auditor General Update

PGC 2014 Summer CPE Session:

Implementing GASB 67 & 68

Single Audit—Super Circular

Single Audit—Super Circular—Instructor Credit

Audits of Group Financial Statements, Year 2

GASB 65 Refresher

COSO Internal Control—Integrated Framework, Update on GASB's Green Book

Financial Reporting Framework for Small & Medium Size Entities

Accounting & Auditing for Utilities

The Affordable Care Act (ACA) Beyond 2014 & the CPA

The New GASB Pension Statements

The New Single Audit

Fraud & Internal Controls



Mark A. White, CPA

Audit Partner

Member of Concurring Review Team

Member of Accounting and Tax Services Practice Management Team

Contact Information

- Ocala, Florida
- (352) 732-3872
- MarkWhite@purvisgray.com
- www.purvisgray.com

Profile:

Education:

Graduated University of South Florida
1977, BA, Major in Accounting

Professional Credentials

CPA Certificate - 1979
Member AICPA, FICPA, GFOA, & FGFOA
Member of Nature Coast Chapter FGFOA
Former CPE Director of Local FICPA Chapter

Current Committees

FGFOA Technical Resources & Program
Committees
CF President's Community Council

GFOA SRC Reviewer

GFOA Special Review Committee for
Certificate of Achievement for
Excellence in Financial Reporting

Recent Committees

FICPA Committee – State and Local
Governments
CF Public Policy Institute
CF Accounting Advisory Committee
USF School of Accounting Advisory Council

Years in Accounting: 38

Years with Firm: 38

Speaker/Instructor

- GASB Statement No. 68 - Implementation Issues*, FICPA Conference; Orlando, Florida
- Local Option and State-shared Revenues*, FGFOA Conferences; Miami, Florida
- Audits of Nonprofit Organizations*, FICPA Annual Accounting Conference; Miami, Florida
- Numerous In-house CPE Classes
- Fixed Assets and GASB Statement No. 34-FACC; *Internal Controls for Managers*– FACC
- GASB Statement No. 34 - *Florida Association of Counties*
- Governmental and Nonprofit Update, *USF Accounting Circle*
- GASB Statement No. 34 - FGFOA Conference
- GASB Statement No. 45 - OPEB-FACC/FGFOA, *Governmental Audit Update for Financial Managers*
- GASB Statement No. 53 - *Derivative Financial Instruments*, FGFOA Conference
- GASB Update, Nature Coast FGFOA Chapter
- New Pension Accounting Standards - A Game Changer*, FGFOA Conference, Other FGFOA Chapter Meetings, and FICPA SLG Conference

Author

- Dealing With Landfill Closure/Postclosure Costs*, FGFOA Newsletter
- What's New in the Auditor General Rules*, FGFOA Newsletter
- Florida's Unclaimed Property Law*, CPA Today Magazine
- Do All Nonprofits Have to Implement FASB 116 and 117*, CPA Today Magazine
- Governmental Nonprofits and FASB Statement No. 116 and No. 117*, FGFOA Newsletter
- Following the Rules of GASB 31*, CPA Today Magazine
- Member Alert - Current Accounting and Auditing Financial Reporting Issues*, FGFOA Newsletter
- What to Expect From Your Auditors*, FGFOA Newsletter
- GASB Exposure Draft*, FGFOA Newsletter
- GASB Update*, FGFOA Newsletter
- Other Postemployment Benefits*, FGFOA Newsletter
- Managing the Audit Process - Practical Considerations For A Good Audit*, FGFOA Newsletter
- Three Big Things Coming Our Way: The Pension ED's, The Financial Projections PV and Proposed Single Audit Changes*, FGFOA Newsletter
- Bond Refundings After GASB 65*, FGFOA Newsletter
- The New GASB Pension Standards* – Florida CPA Today Magazine

Mark A. White, CPA

Audit Partner

Member of Concurring Review Team

Member of Accounting and Tax Services Practice Management Team

Experience Serving Clients

Governmental Experience

Alachua County, Florida*
Alachua County Housing Authority*
City of Belleview, Florida*
City of Bushnell, Florida*
Citrus County, Florida*
City of Deltona, Florida*
City of Dunnellon, Florida*
City of Eustis, Florida*
City of Fort Myers, Florida*
Gilchrist County, Florida*
City of Jacksonville Beach, Florida*
City of Leesburg, Florida*
Marion County EMS Alliance
Marion County, Florida *
City of Mount Dora, Florida *
City of Ocala, Florida *
Osceola County, Florida *
City of St. Cloud, Florida *
Sumter Landing CDD and Affiliates, Numbers 5-11
Villages Center CDD and Affiliates, Numbers 1-4
North Sumter County Utility Dependent District
Withlacoochee Regional Water Supply Authority

School Board Experience

Alachua County District School Board *
Charlotte County District School Board *
Hernando County District School Board *
Lake County District School Board *
Marion County District School Board *

Not-For-Profit Experience

Appleton Cultural Center, Inc.
ARC - Marion, Inc. *
ARC - New Hope Foundation, Inc.
Arnette House, Inc. *
The Centers, Inc. *
Central Florida Community College Foundation, Inc. *
Childhood Development Services, Inc.*
Cornerstone School, Inc.
Daytop of Florida Foundation, Inc.
Daytop Villages of Florida, Inc.*
Discovery Science Center, Inc.
Early Learning Coalition of Hernando County, Inc.*
Early Learning Coalition of Leon and Gadsden County, Inc.*
Early Learning Coalition of Marion County, Inc.*
Early Learning Coalition Nature Coast, Inc.*
Florida Low Income Housing Associates, Inc.*
Florida Association of Court Clerks, Inc.
Golden Hills Golf and Country Club, Inc.
Hospice of Marion County Inc. and Affiliates
Kids Central, Inc.*
M.A.D. D.A.D.S. of Greater Ocala, Inc. *
Meridian Behavioral Healthcare, Inc. *
Munroe Regional Development Foundation, Inc.
Pediatric Primary Care Foundation, Inc. *
The Villages Charter School, Inc.
United Way of Alachua and Marion County, Inc.

Utility Experience

City of Bushnell, Florida (W, S)
City of Deltona, Florida (W, S)
City of Eustis, Florida (W, S)
Central Florida Electric Cooperative, Inc. (E)
Florida Municipal Power Agency (E)
City of Fort Myers, Florida (W, S)
Gainesville Regional Utilities, Florida (E, G, W, S)
Gulf Coast Electric Cooperative, Inc.
City of Jacksonville Beach, Florida (E, W, S)
Kissimmee Utility Authority (E)
City of Leesburg, Florida (E, G, W, S)
City of Mount Dora, Florida (E, W, S)
Lee County Electric Cooperative, Inc. (E)
City of Ocala, Florida (E, W, S)
Peace River Electric Cooperative, Inc. (E)
City of St Cloud, Florida (E, W, S)
Sumter Electric Cooperative, Inc. (E)
Suwannee Valley Electric Cooperative, Inc. (E)
Tri-County Electric Cooperative, Inc. (E)
Villages Center CDD (W, S)
North Sumter County Utility Dependent District (W, S)
Withlacoochee Regional Water Supply Authority, Inc. (W)
Withlacoochee River Electric Cooperative, Inc. (E)

*OMB Circular A-133 Single Audits and/or Florida Single Audits
(E)—Electric (G)—Natural Gas (W)—Water (S)—Sewer

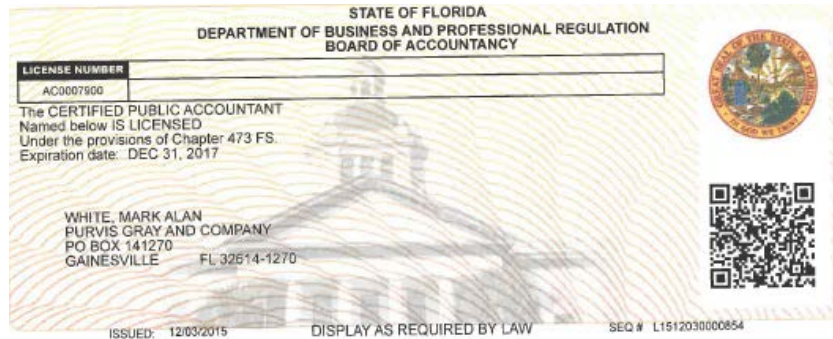
Mark A. White, CPA

Audit Partner

Member of Concurring Review Team

Member of Accounting and Tax Services Practice Management Team

CPA License



Educational and Professional Involvement

Mr. White is in full compliance with the continuing educational requirements set forth under U.S. General Accounting Office (GAO), *Government Auditing Standards*. A list of the relevant continuing professional education for the past three years follows:

2016—COURSE TITLES OR DESCRIPTIONS

Spring 2016 Tax CPE:

- Procedural Updates – Ultra Tax and Fixed Asset Updates
 - Department Updates and Current State of Affairs
 - The 10th Circle of Hell – Partnership Termination and Termination of Partner's Interest
 - Shared Responsibility Pains of ACA
 - Beyond the Calculations – AMT and Capital Gains
 - 1040 Updates
 - Estate, Gift, and Trusts – An Update and Refresher
 - Pass-Through Entities and SSARS 21 Update
 - Tax Extenders, Kitchen Sink
- #### FGFOA NCF Chapter 2016 Annual Meeting:
- onUp Momentum...Sparking the Conversation for Financial Confidence
 - GASB Update Part 1
 - GASB Update Part 2
 - Single Audit Update
 - Investment Analyst Challenge
 - Policy and Cash Flow Updates
 - Internal Controls – Systems of Checks and Balances

FGFOA 2016 Annual Conference:

- Accounting Complexities Facing Local Government
 - Local Government Accountability Update
 - Pensions and Other Post-Employment Benefits
 - Award Winning CAFRs
 - Best Practices for an Effective Year-End Closing Process
 - Economic Update and Market Outlook
 - Integrating IT into the Audit Process
 - Implementing the OMB's New Super Circular
- #### FICPA 2016 State & Local Government Accounting Conference:
- 2016 Legislative Update
 - GASB 68 – Implementation Issues – Lessons Learned
 - GASB 68 – Implementation Issues – Lessons Learned – Instructor Credit
 - GASB Update
 - Thrive By Design

Mark A. White, CPA

Partner

Member of Concurring Review Team

Member of Accounting and Tax Services Practice Management Team

2015—COURSE TITLES OR DESCRIPTIONS

Winter 2015 Tax CPE:

- Who are You Supporting: An Exempt Org Update
- Estate, Gift, & Trust
- SSARS Changes and Updates
- The Best of All the Rest

FGFOA Nature Coast Chapter Annual Membership Meeting:

- Florida Economic Update
- GASB Update
- GASB Update – Instructor
- Layered Security: The Fallacy of the Silver Bullet Approach
- Employee Use of Social Media

Accounting Complexities Facing Local Government IV

Affordable Health Care Act Updates

Local Government Accountability Update

A Closer Look at the New Pension Standards

Federal Single Audit Act Update

Putting EMMA to Work for You

Accounting & Auditing Update: Pronouncements & Issues 2015

2015 Ethics: Protecting the Integrity of Florida CPAs

PGC Summer 2015 CPE – Part 2:

Firm Inspection & Peer Review – Results & Reminders

Is it Consulting or Agreed-Upon Procedures

Single Audit Changes

Internal Control over Utility Billing

Internal Control over Payroll in a Governmental Entity

SSARS 21

SOC Reports: How to Effectively Use them on Your Audit Engagements

Nonattest Services & Independence – Recent Changes in the Standards & Documentation Requirements

Introduction to IT Reviews

Employee Benefit Plan Deficiencies & Conference Highlights

FMEA Annual Conference Training Sessions

IT-Related Issues

PGC Fall CPE Session:

Government and Not-for-Profit Highlights

GASB 72 Fair Value Measurement and Application – New Financial Reporting and Disclosure Requirements

Now is the Time – Have You Looked at Your Internal Controls?

GASB 68 – It's Implementation Time, Are You Ready? - Instructor

Milestone Governmental CPE Day

2014—COURSE TITLES OR DESCRIPTIONS

Spring 2014 Tax CPE:

- New Research Software: RIA and BNA Implementation
- Actively Navigating Net Investment Income Tax
- Pass-Through Updates—What's New with 1120s & 1065s
- Exempt Organization Update/UBI—Ownership of Partnerships & S Corps Within a 501(c)(3) Organization—What's New with 990s
- Estate, Gift & Trust Planning Issues—What's New with 706s, 709s, & 1041s.
- Repair & Maintenance Capitalization Rules
- Individual Updates—What's New with 1040s
- State of the Department—Keeping the House in Order & Other Housekeeping

FGFOA Nature Coast Chapter Annual Membership Meeting:

- Single Audit Update
- Audit Season Review
- Update on Best Practices for Investment Management
- Comparable Investment Approaches for Florida Local Governments
- DB vs DC—A False Choice in Retirement Plans
- GASB Statements No. 67 & 68—The Devil's in the Details
- The Importance of Documentation—Even in Today's Virtual, Paperless World
- A Dynamic Leader in Today's Environment

FGFOA 2014 Annual Conference:

- Accounting Complexities Facing Local Governments
- COSO Framework
- Accounting & Financial Reporting for Pensions, GASB Statements No. 67 & 68 FGFOA
- GASB Hot Topics

Local Government Accountability Update

Summer CPE Session:

Implementing GASB Statements No. 67 & 68 Instructor Credit

Single Audit—Super Circular

Audits of Group Financial Statements, Year 2

GASB Statement No. 65 Refresher

COSO Internal Control—Integrated Framework, Update on GASB's Green Book Revision

Dodd Frank Act

Financial Reporting Framework for Small & Medium Size Entities

Accounting & Auditing for Utilities

Compliance Pitfalls & Corrective Measures for Qualified Retirement Plans

The Resurgence of Defined Benefit Plans for Small Businesses

Tax Efficient Plan Designs for Small Businesses

Fringe Benefit Plans

Florida Sales & Use Tax: What Every Buyer & Seller Should Know

Squaring UBI: Unrelated Business Income—Useful Bits of Information

The Affordable Care Act (ACA) Beyond 2014 & the CPA

FGFOA NCF Chapter:

The New GASB Pension Statements

The New Single Audit

FSFOA 2014 Fall Conference:

Accounting & Auditing Update

Fall CPE Session:

GASB & Not-For-Profit Highlights

The Pension Standards, GASB Statements No. 67, 68 & 71 – Instructor

Florida Retirement System & the New GASB Pension Standards - Instructor

Kevin R. Smith, CPA

Audit Manager

Contact Information

 Gainesville, Florida
 (352) 378-2461
 ksmith@purvisgray.com
www.purvisgray.com

Profile:

Education:

Graduated Florida State University

2010, BS Major in Accounting
2010, BS Major in Real Estate

Professional Credentials

CPA Certificate - 2010
Member AICPA and FICPA

Years in Accounting: 7

Years with Firm: 7

Speaker/Instructor

Accounting and Auditing for Utilities - In-house CPE -2014
Using the Work of Others - In-house CPE - 2013
Fair Value Measurements - In-house CPE - 2012

Author

Bond Refundings After GASB 65 - FGFOA Newsletter, March 2015

Experience Serving Clients

Utility Experience

City of Atlantic Beach, Florida (W, S)
Central Florida Electric Cooperative, Inc. (E)
Choctawatchee Electric Cooperative, Inc. (E)
Florida Municipal Power Agency (E)
Gainesville Regional Utilities, Florida (E, G, W, S)
City of Green Cove Springs, Florida (E, W, S)
City of Jacksonville Beach, Florida (E, W, S)
Kissimmee Utility Authority (E)
City of Live Oak, Florida (W, S)
Nassau County, Florida (W, S)
City of Newberry, Florida (E, W, S)
Sumter Electric Cooperative, Inc. (E)*
Talquin Electric Cooperative, Inc. (E)
Talquin Water and Wastewater, Inc. (W, S)

*Preparation of IRS Form 990 and Related Forms
(E)—Electric (G)—Natural Gas (W)—Water (S)—Sewer

Governmental Experience

City of Alachua, Florida*
City of Atlantic Beach, Florida*
Bradford County, Florida, Sheriff
Town of Bronson, Florida
City of Cedar Key, Florida
City of Fernandina Beach, Florida*
Gadsden County, Florida, Board of County Commissioners*
Gainesville - Alachua County Regional Airport Authority
City of Green Cove Springs, Florida*
City of Jacksonville Beach, Florida*
City of Lake City, Florida*
City of Live Oak, Florida*
Nassau County, Florida, Board of County Commissioners*
Nassau County, Florida, Clerk of Court and Sheriff

Kevin R. Smith, CPA

Audit Manager

Experience Serving Clients (*Concluded*)

Not-For-Profit Experience

- Alachua County Housing Authority*
- American Society for Metabolic and Bariatric Surgery, Inc.
- Association for Institutional Research*
- Florida 4-H Club Foundation, Inc.
- Florida Association of Court Clerks, Inc.
- Florida Health Professions Association, Inc.
- Florida Medical Practice Plan, Inc.
- Florida Sheriff Ranches, Inc.
- Gainesville Golf and Country Club
- Meridian Behavior Healthcare, Inc.
- Santa Fe Community College Foundation, Inc.
- University of Florida College of Dentistry
- University of Florida Veterinary Medicine, Inc.
- Workforce Florida, Inc.*

For-Profit Experience

- M.M. Parrish Construction Company
- Parrish Construction Group, Inc.

School Board Experience

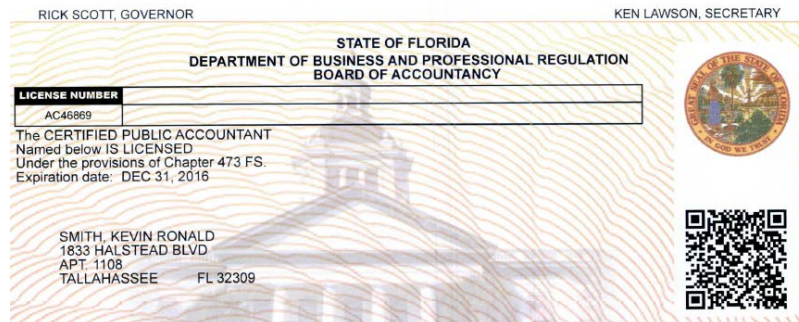
- Alachua County District School Board*
- Alachua County School Board Internal Accounts
- Clay County District School Board*

Other Experience

- North Florida Regional Medical Arts Condominium Association, Inc.
- Family Center Condominium Association, Inc.

*OMB Circular A-133 Single Audits and/or Florida Single Audits

CPA License



Education and Professional Involvement

Mr. Smith is in full compliance with the continuing educational requirements set forth under U.S. General Accounting Office (GAO), *Government Auditing Standards*. A list of the relevant continuing professional education for the past three years follows:

2016—COURSE TITLES OR DESCRIPTIONS

Fraud Overview for Accountants and Auditors

FGFOA 2016 Annual Conference:

- GASB Hot Topics
- GASB Update
- Accounting Complexities Facing Local Government
- Local Government Accountability Update
- Pensions and Other Post-Employment Benefits
- Legislative Update
- Steps to Minimize Fraud
- Implementing the OMB's New Super Circular

PGC Summer 2016 CPE:

- Uniform Guidance: Understanding Key Changes
- GASB 68, Trials & Tribulations, Year II
- GASB 68, Disclosures & RSI
- Firm Inspection & Peer Review – Results & Reminders
- ERISA Employee Benefit Plans Audit Update / ERISA Audit Best Practices, Sample Audit Findings, & Disclosures
- 990s for Auditors
- Auditing IT General Controls in a Government
- Auditing Developments
- Governmental Accounting and Reporting
- Ethical Conduct for Florida CPAs
- Capital Assets – Is it an Asset & Where is it?
- UF Budget System

2015—COURSE TITLES OR DESCRIPTIONS

FGFOA 2015 Annual Conference:

- Affordable Health Care Act Updates
- Internal Auditing 101
- A Closer Look at the new Pension Standards, Beyond the Basics
- Lessons Learned from Recent Fraud Cases
- Building a Better Budget Document
- Code of Ethics and Effective Control

Applying Circular A-133: Overview, Introduction to Single Audit

- Applying Circular A-133: Identifying Federal Assistance and Determining Major Programs
- Applying Circular A-133: Audit Reports, Program-Specific Audits, Audit Tools & Guidance

2014—COURSE TITLES OR DESCRIPTIONS

FGFOA 2014 Annual Conference:

- GASB Hot Topics
- FGFOA Opening General Session
- Accounting and Financial Reporting for Pensions, GASB Statements No. 67 & 68
- Local Government Accountability Update
- Federal Single Audit Act Update
- Accounting Complexities Facing Local Governments
- COSO Framework
- Internal Audit Forum

Summer 2014 CPE:

- Implementing GASB Statements No. 67 & 68
- Single Audit—Super Circular
- Audits of Group Financial Statements, Year 2
- GASB 65 Refresher
- COSO Internal Control—Integrated Framework, Update on GASB's Green Book Revision

Dodd Frank Act

- Financial Reporting Framework for Small and Medium Size Entities
- Accounting & Auditing for Utilities—& Instructor Credit
- Compliance Pitfalls & Corrective Measures for Qualified Retirement Plans
- The Resurgence of Defined Benefit Plans for Small Businesses
- Tax Efficient Plan Designs for Small Businesses
- Fringe Benefit Plans
- Florida Sales & Use Tax: What Every Buyer & Seller Should Know
- Squaring UBI: Unrelated Business Income—Useful Bits of Information
- The Affordable Care Act (ACA) Beyond 2014 & the CPA
- Internal Controls: Theory & Practice
- Fall CPE Session:
 - GASB and Not-For-Profit Highlights
 - The Pension Standards, GASB Statements 67, 68, and 71
 - Florida Retirement System and the New GASB Pension Standards

Matthew B. Ganoë, CPA

Senior Auditor

Experience Serving Clients

Contact Information

 Ocala, Florida
(352) 732-3872
 mganoë@purvisgray.com
www.purvisgray.com



Profile:

Education:

Graduated Saint Leo University

2014, MBA with an Accounting Concentration

2009, BS, Major in Accounting

Professional Credentials

Received CPA Certificate in 2016

Years in Accounting: 7

Years with Firm: 2

Utility Experience

City of Eustis, Florida (W, S)
Florida Municipal Power Agency (E)
Gainesville Regional Utilities (E)
Kissimmee Utility Authority (E)
Marion County, Florida (W, S)
City of Ocala, Florida (E, W, S)
City of St. Cloud, Florida (W, S)

(E)—Electric (G)—Natural Gas (W)—Water (S)—Sewer

Governmental Experience

City of Bushnell, Florida*
City of Deltona, Florida
City of Eustis, Florida
City of Green Cove, Florida*
Marion County, Florida*
Nassua County, Florida*
City of Ocala, Florida*
City of St. Cloud, Florida*
Village Community Development Districts, Florida
City of Williston, Florida*

School Board Experience

Citrus County District School Board Internal Accounts
Lake County District School Board*
Marion County District School Board*
Villages Charter Schools

Not-For-Profit Experience

Arnette House, Inc.
The Centers, Inc.
Childhood Development Services, Inc.
Florida Agriculture Center and Horse Park Authority*
Marion Senior Services, Inc.
Marion County Public Education Foundation
Partnership for Strong Families, Inc.

Employee Benefit Plan Experience

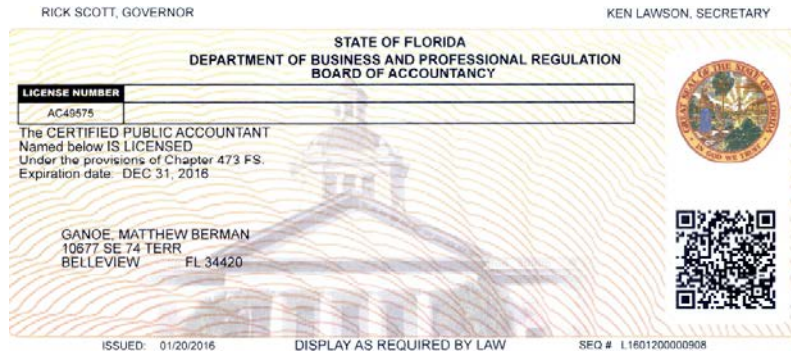
The Centers, Inc. 401(k)
Childhood Development Services, Inc. 403(b)
Marion Senior Services, Inc.
Partnership for Strong Families, Inc.

*OMB Circular A-133 Single Audits and/or Florida Single Audits

Matthew B. Ganoë, CPA

Senior Auditor

CPA License



Educational and Professional Involvement

Mr. Ganoë is in full compliance with the continuing educational requirements set forth under U.S. General Accounting Office (GAO), *Government Auditing Standards*. A list of the relevant continuing professional education for the past three years follows:

2016—COURSE TITLES OR DESCRIPTIONS

FGFOA Nature Coast Chapter 2016 Annual Membership Meeting:

- New GASB Standards That May Affect Your Government's Financial Reporting
- Uniform Guidance and Compliance Supplement – Updates to Grants Management and Federal Audits
- Update on Investments, Best Practices, SEC Regulations
- Best of Accounting Complexities Facing Local Governments
- Tax Implications on Buying and Selling Transactions in Local Government
- Preparing for Retirement
- The Art of Corrective Discipline
- 4 Leaders – Which One Are You?

Spring 2016 Tax CPE:

- Procedural Updates – Ultra Tax and Fixed Asset Updates
- Department Updates and Current State of Affairs
- The 10th Circle of Hell – Partnership Termination and Termination of Partner's Interest
- Shared Responsibility Pains of ACA
- Behind the Calculations – AMT and Capital Gains
- 1040 Updates
- Estate, Gift, and Trusts – An Update and Refresher
- Pass-Through Entity Updates
- Tax Extenders, Kitchen Sink

FGFOA Nature Coast Chapter Annual Membership Meeting:

- Florida Economic Update
- GASB Update
- Layered Security: The Fallacy of the Silver Bullet Approach
- Employee Use of Social Media

FGFOA Nature Coast Chapter Annual Membership Meeting (Concluded):

- Affordable Care Act: Penalties & Reporting
- Current Municipal Market
- How HR Can Reduce WC Costs
- Dealing with Negative People FGFOA 2016 Annual Conference:
- GASB Hot Topics
- Sponsoring Defined Benefit Plan and "Enterprise Risk Management"
- Investing Funds in a Rising Interest Rate Environment
- Labor Law for Government Professionals
- Opening General Session
- Retirement Plans – How to Assess the Health of Yours and Prescriptions for Recovery
- Award Winning CAFRs
- Best Practices for an Effective Year-End Closing Process
- Cyber Security, Data Breach and PCI Compliance
- Integrating IT into the Audit Process
- Implementing the OMB's New Super Circular

PGC Summer 2016 CPE:

- Uniform Guidance: Understanding Key Changes
- GASB 68, Trials & Tribulations, Year II
- GASB 68, Disclosures & RSI
- Firm Inspection & Peer Review – Results & Reminders
- ERISA Employee Benefit Plans Audit Update / ERISA Audit Best Practices, Sample Audit Findings, & Disclosures
- 990s for Auditors
- Auditing IT General Controls in a Government

2015—COURSE TITLES OR DESCRIPTIONS

Winter 2015 Tax CPE:

- Firm Updates, UltraTax & General Procedural Update, XCM Updates
- R&M S&M: A Capital Idea!
- Hot Topics in Employee Benefits
- Pass-Through Updates – What's New with 1120S & 1065s
- All in the Family: Employer Grouping for the ACA
- Individual Updates and ACA for Individuals
- Who are You Supporting: An Exempt Org Update
- Estate, Gift, and Trust
- SSARS Changes and Updates
- The Best of All the Rest

FGFOA Nature Coast Chapter Annual Membership Meeting:

- Florida Economic Update
- GASB Update
- Layered Security: The Fallacy of the Silver Bullet Approach
- Employee Use of Social Media
- Affordable Care Act: Penalties & Reporting
- Current Municipal Market
- How HR Can Reduce WC Costs
- Dealing with Negative People

PGC Summer 2015 Tax CPE

IT-Related Issues

PGC Fall 2015 CPE Session:

- Government for Not-for-Profit Highlights
- GASB 72 Fair Value Measurement and Application – New Financial Reporting and Disclosure Requirements
- Now is the Time – Have You Looked at Your Internal Controls?
- GASB 68 – It's Implementation Time, Are You Ready?

PGC Summer 2015 CPE Session:

- Accounting and Auditing Update: Pronouncements and Issues 2015
- Firm Inspection and Peer Review - Results and Reminders
- Is it Consulting or Agreed-Upon Procedures
- Single Audit Changes
- Internal Control over Utility Billing
- Internal Control over Payroll in a Governmental Entity
- SSARS 21
- SOC Reports: How to Effectively Use Them on Your Audit Engagements
- Nonattest Services and Independence - Recent Changes in the Standards and Documentation Requirements
- Introduction to IT Reviews
- Employee Benefit Plan Deficiencies and Conference Highlights
- Tax Projections
- Overview of the Coming XCM Changes

Gary R. Heder, CISA, CRISC

Manager



Contact Information

- Ocala, Florida
- (352) 732-3872
- gheder@purvisgray.com
- www.purvisgray.com

Profile:

Education:

Graduated University of Wisconsin –
Whitewater
1976, BA in Finance

Professional Credentials

Certified Information System Auditor
Certified in Risk and Information
Systems Controls

Previous Employers, 1999-2015

ICX Group, Inc.
Accretive Solutions
Accounting Principals
Lincoln Financial Group
Lowe's Companies, Inc.
Wachovia Bank, NA

Years Auditing

Information Systems: 32

Professional Profile

Gary Heder is an experienced IT Audit professional with a stable background in multiple management positions within Fortune 500 companies. He has expertise in evaluating internal control risks and assessing compliance to company and regulatory requirements in the banking, insurance, manufacturing, retail, and governmental healthcare industries. Mr. Heder possesses relevant industry certifications and an understanding of technical environments.

Information Technology Experience

Application and Security Audits
Infrastructure Audits
Disaster Recovery
Sarbanes-Oxley 404
Vendor Management
Data Analytics

Technical Skills

| | |
|------------------------------|-------------------------|
| MVS | CA Harvest |
| AS400 | SCCM |
| Unix | Tivoli EndPoint Manager |
| Windows O/S | MS Office Suite: |
| DB2 | Access |
| SQL | Visio |
| Oracle | Project |
| Sybase DB | Word |
| People Soft HRMS | Excel |
| Cisco | ACL Analytics |
| Check Point | Lotus Notes |
| Active Directory | TeamMate Audit Software |
| RACF | COBIT |
| ACF2 | GTAG |
| Top Secret Security Software | NIST |
| CA Endeavor | FISMA |
| ChangeMan | HIPAA |

Partner, Supervisory and Staff Qualifications and Experience

Continuing Professional Education

As members of the Audit Quality Center of the AICPA, each CPA is required to obtain eighty hours of continuing professional education every two years. Over 75% of Purvis, Gray and Company's audit engagements are governmental clients; accordingly, many of our continuing professional education programs are related to governmental accounting and auditing. The continuing professional education material is presented by nationally prominent accounting professors and other individuals who have thorough knowledge of auditing both municipal and county governments.

Our partners, managers, and senior staff members also attend annual conferences sponsored by the RUS, FECA, FGFOA, FMEA/FMPA, and FACC where they attend and teach continuing education classes that deal with new FASB pronouncements and current issues in Florida law that affect electric utilities and other similar topics. ***Client accounting staff are routinely invited to attend our continuing education classes throughout the year at no cost, which generally equals 16 hours per year.***

Members of the audit team assigned to GRU's audit have attended numerous courses on utility accounting and auditing and have participated in audits of numerous city and other utilities. ***In addition, all of our Audit Department personnel are in full compliance with the continuing educational requirements set forth under U.S. General Accounting Office (GAO), Government Auditing Standards.*** A full list of CPE courses attended by your proposed audit team members are listed on their individual résumés. The following is a brief list of some of the governmental continuing education class topics that our partners and staff have recently taught:

- SAS Update for Financial Managers (The New Risk Standards)
- GASB Statement No. 45—OPEB
- Auditing Update—Hot Topics for Fiscal Officers and Auditors
- The New Single Audit Requirements
- Debt-Accounting, Covenants, Compliance
- State-shared and Local Option Revenues for Cities and Counties
- Governmental Compliance Auditing in Florida—Local Laws and Regulations
- What to Expect from Your Auditors
- Internal Controls for Managers
- The New COSO Internal Control Framework
- The State Financial Emergency Law
- GASB Statement No. 51—Accounting and Financial Reporting for Intangible Assets
- GASB Statement No. 53—Accounting and Financial Reporting for Derivative Instruments
- GASB Statement No. 54—Fund Balance Reporting and Governmental Fund Type Definitions
- GASB Statement No. 57—OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans
- GASB Statement No. 60—Service Concession Arrangements
- GASB Statement No. 61—Reporting Entity
- GASB Statement No. 62—Codification of AICPA and FASB
- GASB Statement No. 63—Deferrals Presentation
- GASB Statement No. 64—Derivative Terminations
- GASB Statement No. 65—Assets and Liabilities – Reclassification and Recognition
- GASB Statement No. 66—Technical Corrections
- GASB Statement No. 67—Financial Reporting for Pension Plans (amending GASB No. 25)
- GASB Statement No. 68—Accounting and Financial Reporting for Pensions (Amending GASB No. 27)
- GASB Statement No. 69—Government Combinations and Disposal of Government Operations
- GASB Statement No. 70—Accounting and Financial Reporting for Nonexchange financial Guarantees
- GASB Statement No. 71—Pension Transition for Contributions made Subsequent to the Measurement Date
- GASB Statement No. 72—Fair Value Measurement and Application
- The New Pension Accounting Standards: A Game Changer!
- Understanding the New COSO Framework (Florida Association of School Business Officials October 2013)
- Internal Controls and Fraud (FSFOA Conference in November 2012)
- The New Federal "Omni Circular" Effects on the Auditee and Auditor
- FASB Update (2016)
- GASB Update (2016)

CONFLICT OF INTEREST

Conflict of Interest

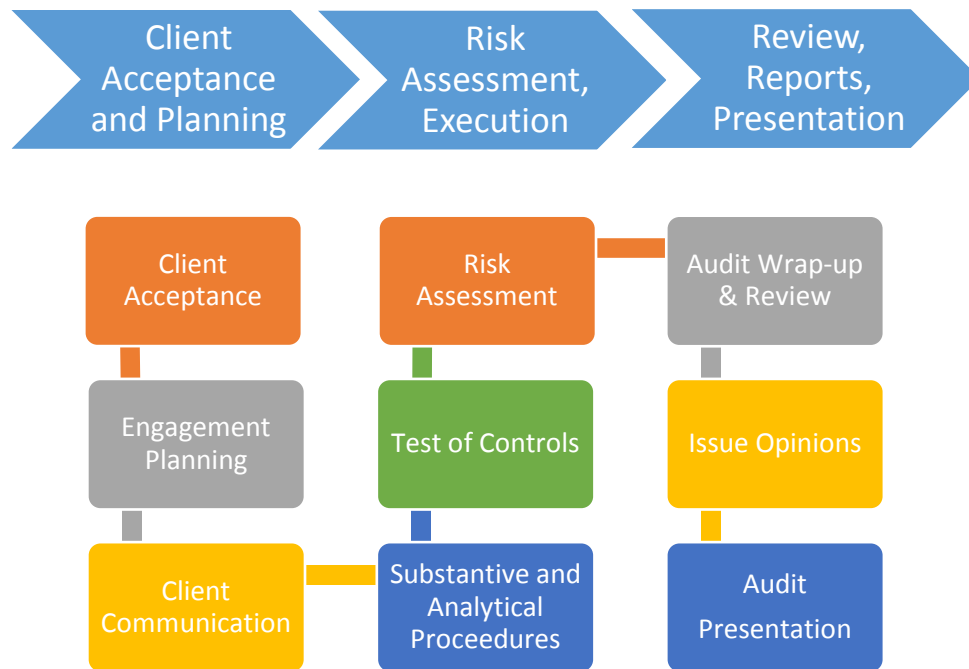
Currently, and for the years 2014 and 2015, we audit the financial statements of Gainesville Regional Utilities, and other than the performance of these annual audits and related agreed-upon procedures engagements, we have had no professional relationships involving GRU. We confirm that we will give GRU written notice of any professional relationships entered into involving GRU, if applicable, during the period of this agreement.

SPECIFIC AUDIT APPROACH

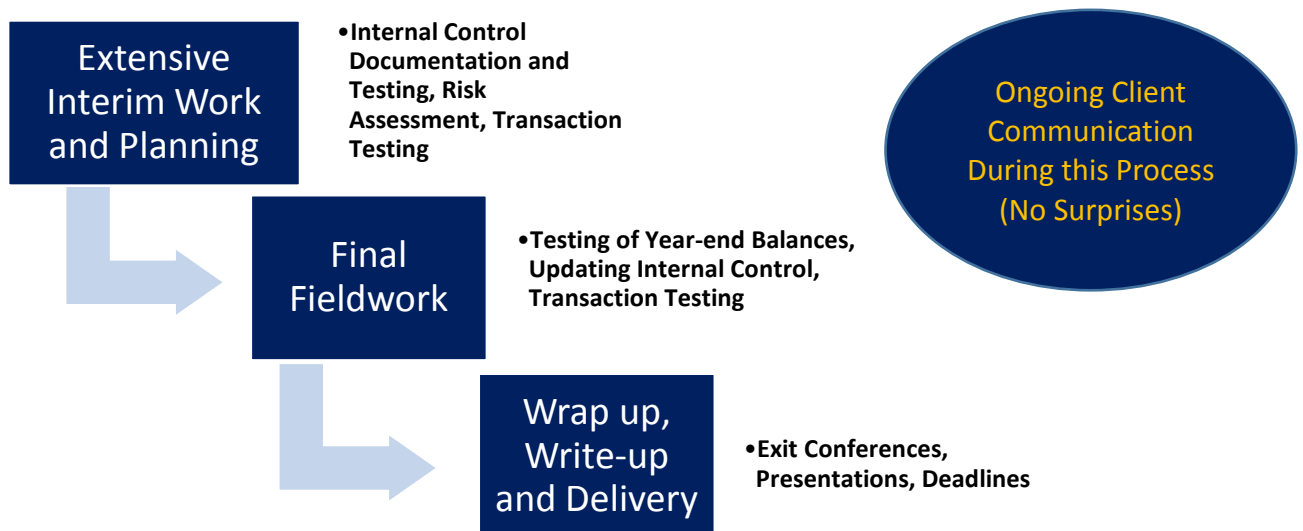
Specific Audit Approach

Work Plan

This section describes the work plan for the year ending September 30, 2017, for the annual financial audit of GRU. Upon being engaged as your auditors, we would immediately begin to establish a schedule within the established timetable to complete the initial audit. Our work plan will be developed in coordination with your staff and will be modified where the audit objective can be achieved in a manner less intrusive to your operations. Our preliminary plan has been prepared as follows:



This plan can be broken down additionally into the following three different time phases of the audit, followed by a more detail explanation of each of these phases.



Specific Audit Approach

Work Plan (Continued)

Interim Work Prior to September 30, 2017 (and Each Succeeding Year)

One of our firm's goals is to perform as much audit work as possible during interim fieldwork. This allows us to better schedule our annual workload, and also minimizes the pressure on your staff to maintain timetables and meet deadlines after year-end. In addition, it permits the earliest possible identification and resolution of contentious or controversial accounting and auditing issues. Interim work and planning would include the following steps:

(1) Upon engagement as auditors for GRU, we would:

- Conduct entrance conference with GRU's executive team, and key finance personnel and other members of management as needed for the purpose of discussing prior audit issues, potential new audit issues, timing of interim audit procedures and schedule for year-end fieldwork.

(2) By September annually, at mutually agreed-upon dates:

- Review and document GRU's current operating systems, budget, organizational charts, internal controls, data processing controls and operations, financial reports, Board minutes, and regulatory correspondence, etc. Determine preliminary materiality limits and assess control risk.
- Review GRU's various bond resolutions and interest rate swap agreements to determine key compliance features, effectiveness and plan audit approach.
- Review GRU's NYMEX natural gas hedging portfolio for effectiveness and fair value.
- Review and assess GRU's fraud prevention and detection system.
- Establish estimated time requirements by functional area.
- Prepare preliminary audit programs.
- Perform preliminary analytical review procedures to identify trouble areas and issues and resolve at earliest possible date.
- Review unusual significant transactions during the audit period.
- Perform test of controls over disbursements, utility billing, and payroll as considered necessary.
- Review and evaluate all significant contracts, including fuel agreements.
- Audit new bond issuance, if any.
- Audit capital project expenditures, to-date.
- Test original budgets and amendments, to-date.
- Identify and resolve new or unusual accounting and auditing issues.
- Arrange for preparation of audit correspondence.
- Progress conference with CFO and key finance personnel and department heads as required.

Specific Audit Approach

Work Plan (Concluded)

Final Fieldwork - November 2017 (and Each Succeeding Year)

(1) Procedures performed during year-end fieldwork would include the following:

- Obtain year-end trial balances and download them into our paperless audit documentation system. Assign mapping codes to new accounts and run side-by-side financial statement combinations (this allows us to concentrate on financial statement balances and classifications instead of account balances).
- Conduct and complete audit fieldwork—sampling, vouching, complete internal control tests, compliance tests and substantive tests.
- Complete internal control and compliance tests.
- Perform wrap-up analytical procedures:
 - Financial statement level comparison to prior year balances; and
 - Financial statement level comparison of actual revenue and expenses/expenditures vs. budget.
- Subsequent events review.
- Exit conference on the last day of fieldwork with GRU CFO and key finance personnel to summarize results of fieldwork, identify key issues, and review significant findings and to discuss draft financial statements and expected Auditors' Reports.

Wrap-up/Presentation - January of Each Year

(1) Procedures performed subsequent to year-end fieldwork would include the following:

- Internal reviews of draft financial statements and notes prepared by Finance Department and comparison to audit workpapers and audit trial balances.
- Prepare and deliver preliminary Auditors' Reports, including Management Letter to GRU no later than January 9, 2018.
- Perform Purvis, Gray and Company independent (in-house) review.
- Deliver final management letter, if any, and audit letters for inclusion in the financial statements no later than January 15, 2018.
- Present financial statements to the Audit Committee at the normally scheduled February 2018 meeting following receipt of the printed reports.

Audit Methodology



Our audit methodology is a risk-based approach, which begins with an overall assessment of GRU's internal control system as it relates to key areas, and follows with a detailed assessment of the areas which are most susceptible to errors, misappropriations, or misstatements. The audit program is then designed on the basis of that risk assessment. Areas considered high-risk are tested with more exhaustive procedures, including tests of controls and substantive tests of details. Areas with less risk are tested by gaining an understanding of the related accounts and/or transaction cycles, and by using analytical procedures.

Specific Audit Approach

Audit Methodology (Continued)

Client Acceptance and Continuance Procedures

- Determine that the Firm’s Resources are Adequate to Provide the Desired Service
- Make a Determination that we are Independent
- Obtain Sufficient Knowledge about the Financial Reporting System
- Conclude with the Drafting and Signing of an Engagement Letter by Both Parties

Risk Assessment Procedures

The risk assessment procedures can usually be done prior to year-end fieldwork. This portion of the audit is usually broken down into the following steps, as described below:

- (1) **Gaining an Understanding of the Entity and its Environment**
- (2) **Gaining an Understanding of the Design and Implementation of Internal Controls**
- (3) **Considering the Effects of Other Risks and Financial Pressures on the Organization**
- (4) **Performing Other Risk Assessment Procedures**

Other Planning Procedures

Other planning procedures are done at this stage of the audit primarily for engagement administration. These include the following:

- Establish Materiality Levels
- Construct a Time Budget
- Map out a Time Schedule for Performance and Delivery
- Arrange for the Preparation of Audit Correspondence

Performing the Risk Synthesis and Designing Further Audit Procedures

Following are examples of risk factors that might be identified when performing the preceding procedures and evaluated in the risk synthesis process:

Types of Risk Factors:

- Internal Control Weaknesses
- Actual or Alleged Fraud
- Loss of Key Personnel
- Weak Governing Board, Audit Committee, or Management Oversight
- Journal Entries Outside the Normal Transaction Processing System
- The Inherent Risk in Revenue “Completeness”
- New Accounting Pronouncements
- Other Non-standard Business Practices
- An Environment Significantly Dependent on Innovation or Technology
- Lack of Formalized Procedures or Controls
- Negative or Declining Financial Performance
- Business Reorganizations
- Significant Estimates
- Unusual Business Transactions
- The Inherent Ability of Management to be Able to Override Controls
- Complex Transactions and Complex Calculations
- Unusual Accounting Treatments
- High-growth Environment
- Significant Debt or Contract Compliance Covenants

Performing Further Audit Procedures

Further audit procedures are usually performed after year-end, once the client has substantially completed the year-end accounting, and preferably, after draft financial statements have been produced. Certain procedures can be performed off-site prior to the visit to the client’s administrative headquarters. These include:

- Importing Year-end Balances into our Paperless Audit Software
- Assigning Mapping Codes and Lead Schedules; Duplicating the Client’s Financial Statement Rollup Process
- Receiving, Reviewing, and Filing Audit Correspondence from Independent Third Parties

On-site procedures include primarily traditional substantive audit tests. These substantive tests may include analytical review or tests of details (while tests of controls can be performed as further audit procedures, they are generally not efficient at this stage except on audits of very large national or international organizations).

Specific Audit Approach

Audit Methodology (Concluded)

Wrap-up Procedures

Wrap-up procedures include:

- Review of Draft Financial Statements
- Provide Draft Auditors' Reports to Client for Review and Acceptance
- Preparation of a Disclosure Checklist to Ensure all Required Disclosures are Present
- Final Analytical Procedures
- Evaluate the Aggregate Effect of "Passed" Adjustments
- Review for Subsequent Events that may Require Financial Statement Disclosures
- Obtain Management Representations
- Final Conference with Management and Audit Committee, if Applicable
- Summarize Audit Time

The conclusion of the audit comes with the delivery of the audit reports, including the report on internal control and compliance, management letter, and the presentation to GRU's Management. Draft reports are provided before final reports to give management the opportunity to make corrections or dispute initial findings, if any. The final presentation to the management is made by the partners in charge.

Proposed Segmentation of the Audit

The following table summarizes our proposed segmentation and number of hours assigned to each segment:

| Audit Area | Estimated Hours |
|---|-----------------|
| Engagement Management | |
| Planning and Correspondence | 40 |
| Internal Control Documentation and Testing | 40 |
| Risk Assessment Procedures, all Areas | 40 |
| Review of Minutes and Key Contracts | 30 |
| Cross Fund Testing – All Utility Funds | |
| Cash, Investments and Investment Income | 50 |
| Payroll and Employee Benefits Expense | 35 |
| Inventories, Hedging, Fuel Contracts | 40 |
| Capital Assets and Depreciation | 40 |
| Accounts Payable and Accrued Expenses | 30 |
| Long-term Debt, Interest Swaps, Interest Expense, Compliance | 60 |
| Utility Billing – Receivables, Revenues and Related | 60 |
| Utility Enterprise Funds (Not Covered In Cross Fund Testing Above) | |
| Electric Fund | 100 |
| Water Fund | 60 |
| Wastewater Fund | 50 |
| Gas Fund | 50 |
| GRUCom Fund | 40 |
| Engagement Wrap-up | |
| Financial Statements Review and Assistance | 80 |
| Exit Conferences and Presentation (Including Preparation) | 40 |
| File Wrap-up and Independent Review | 40 |
| Other | 25 |
| Total Estimated Audit Hours | 950 |

Specific Audit Approach

Level of Staff

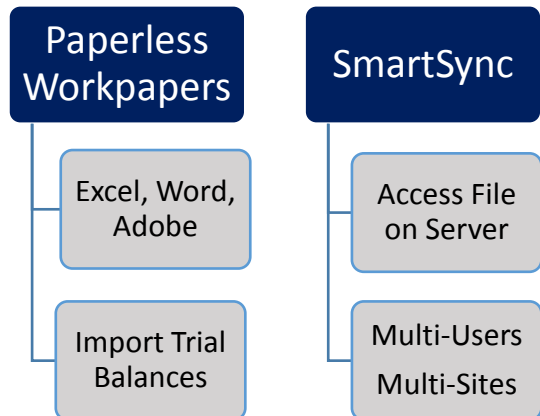
| <u>Staffing Allocation</u> | <u>Hours</u> |
|----------------------------|--------------|
| Partners | 380 |
| Managers | 160 |
| Seniors | 240 |
| Staff Auditors | 130 |
| Clerical | 40 |
| Total | 950 |

Extent of Computer Software to be Used in the Engagement

Auditors will use laptops with Microsoft’s Windows 7 operating system and Microsoft’s Office 2013 Suite (Word, Excel, Outlook) and second monitors throughout the engagement. We will request access to the internet from GRU’s IT Department and work with them to determine whether wired or wireless is more suitable. Specialized audit software utilized in your engagement will be in the following areas:



Paperless Audit Engagement Software System - CaseWare Working Papers and SmartSync



Computer-Assisted Audit Techniques (CAAT) Software - CaseWare’s IDEA with SmartAnalyzer and Excel



Specific Audit Approach

Extent of Computer Software to be Used in the Engagement (Concluded)



CHECKPOINT® TOOLS

Research, Reference
Material, Checklists, Audit
Programs, Practice Aids PPC
Checkpoint Tools

***Research and Audit Checklists, Worksheets,
Programs, Letters - Thomson Reuters PPC
Checkpoint Tools***

Approach to Auditing Internal Control Structure

Auditing Standards requires auditors to obtain an understanding of internal control sufficient to assess the risk of material misstatement of the financial statements due to error or fraud, and to design the nature, timing, and extent of further audit procedures.

We will perform audit procedures to obtain an understanding of the design and implementation of GRU's key controls in each significant audit area. Understanding the key controls will include an extensive review and documentation of GRU's control environment, risk assessment activities, information and communication systems, monitoring activities, and control activities.

As part of understanding the control activities, we will identify the following:

- Significant Classes of Transaction and Cycles - Some Examples of Common Areas Include:
 - Utility Billing, Accounts Receivable, and Cash Receipts
 - Purchasing, Accounts Payable, and Cash Disbursements
 - Human Resources and Payroll

- Other Areas with Significant Risks or Fraud Risks - For Example:
 - Unusual Transactions
 - Significant Estimates
 - Subsequent Events
 - Information Technology Risks

For significant classes of transactions and cycles, we will gain an understanding of the procedures over initiating, authorizing, recording, processing, reporting, and reconciling and will:

- Request, obtain, and review available GRU policies and procedures, flowcharts, and other documentation.
- Review GRU-provided documentation against practice aids developed by PPC and in-house.
- Develop and update our business process and internal control narratives, flowcharts, checklists, and other documentation based on our review of GRU-provided documentation against our practice aids.

Specific Audit Approach

Approach to Auditing Internal Control Structure (Concluded)

- Meet with and interview key Financial and Administrative Services Department personnel and department directors or staff of key offices and programs to further develop and update our understanding of the processes and controls to include:
 - Identify the Key Manual and Automated Controls
 - Confirm with Management that the Key Controls have been Properly Identified
 - Evaluate Whether the Key Controls are Properly Designed and Implemented by Performing Audit Procedures, Including Observation, Inspection, Reperformance, and Confirmation to Obtain Audit Evidence that the Controls are Properly Designed and Implemented
 - Identify any Weaknesses in the Design or Implementation
 - Discuss any Weaknesses in Internal Control with Management to Confirm our Understanding or to Receive Additional Information or Identify Compensating Controls, if any
 - Consider Performing Tests of Controls (to Test the Operating Effectiveness of the Control Over GRU's Fiscal Year) if Controls have been Properly Designed and Implemented

For significant risks and fraud risks, we will identify the key controls, evaluate whether they have been properly designed and implemented, and design further audit procedures (tests of details) to specifically address those risks.

For information technology risks, we will obtain an understanding of the extent to which information technology is used in the significant audit areas noted above and will identify the significant financial applications used. For GRU's significant financial applications, we will obtain an understanding of the IT environment (including the significant financial applications' supporting technologies - operating systems, databases, network, etc.) and the IT General Control over these technologies, and evaluate the risks. Our procedures will be similar in nature to the procedures listed above "***for significant classes of transactions***", except that they will focus on risks related to the IT control environment, change management, user access, and backup and recovery, instead of the initiating, authorizing, recording, processing, reporting, and reconciling of transactions.

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

For audits conducted in accordance with *Government Auditing Standards*, the auditor is required to test compliance with laws and regulations that would have a material effect on GRU's financial statements. As such, we design our audit programs to ensure compliance with key laws and regulations such as:

- | | |
|-------------------------------------|-------------------------------------|
| ■ Budgetary Appropriation Limits | ■ Significant Contract Provisions |
| ■ Significant Debt Covenants | ■ Use of Restricted Revenue Sources |
| ■ Compliance with Bond Resolution | ■ Compliance with Rate Tariffs |
| ■ Key Federal, State, or Local Laws | |

Approach to be Taken in Using Statistical Sampling in the Engagement

Statistical sampling will be used on this engagement and will be coordinated with other audit procedures to achieve audit objectives in the most efficient manner possible. Statistical sampling may be used in relation to audit procedures for:

- | | |
|--|---|
| ■ Tests of Controls | ■ Tests of Compliance with Laws & Regulations |
| ■ Substantive Tests of Transactions & Account Balances | ■ Attribute Sampling |

Specific Audit Approach

Approach to be Taken in Using Statistical Sampling in the Engagement (Concluded)

All sampling will be performed in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations (For 2016 New Uniform Grant Guidance)*; Chapter 10.550, *Rules of the Auditor General*; and State Department of Financial Services, *State Projects Compliance Supplement*.

Approach to be Taken in Reviewing Financial Statements

We ensure our audit reports and letters are in compliance with the latest auditing standards with the use of PPC's practice aids. In addition, we utilize templates provided by the Auditor General of the State of Florida for the development of our management letters. We will draw upon our 70 years of experience with other local governments to look for ways that GRU can be more efficient, cost effective, and improve internal controls. We will offer independent business advice and make ourselves available to staff and the Audit Committee to discuss any or all of our comments and recommendations.

Our approach to audit findings is simple: we try to identify and communicate significant matters as early in the process as possible. We do not like surprises and we know our clients don't like them either. That is why we hold weekly progress meetings with our clients in order to discuss and resolve internal control issues or accounting matters as quickly as possible.

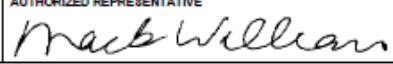
Specific Audit Approach

Approach to Reviewing Information Systems



PROFESSIONAL LIABILITY INSURANCE


Professional Liability Insurance

| | | | |
|--|---|--|---|
| ACORD | | PURVI-1 | OP ID: HT |
| CERTIFICATE OF LIABILITY INSURANCE | | DATE (MM/DD/YYYY) 10/18/2016 | |
| <p>THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.</p> | | | |
| <p>IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).</p> | | | |
| PRODUCER McGriff Williams Insurance 3501-A W. University Avenue Gainesville, FL 32607 Mack Williams | | CONTACT NAME: PHONE (A/C, No, Ext): _____ FAX (A/C, No): _____ E-MAIL ADDRESS: _____ ADDRESS: _____ | |
| INSURED | | INSURER(S) AFFORDING COVERAGE | |
| Purvis Gray & Co., LLP and Purvis Gray Technology Group LLC PO BOX 141270 Gainesville, FL 32614 | | INSURER A: Allied Property and Casualty 42579 | |
| | | INSURER B: Depositors Insurance 42587 | |
| | | INSURER C: QBE Specialty | |
| | | INSURER D: | |
| | | INSURER E: | |
| | | INSURER F: | |
| COVERAGES | | CERTIFICATE NUMBER: | |
| | | REVISION NUMBER: | |
| <p>THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.</p> | | | |
| INSR LTR | TYPE OF INSURANCE | POLICY NUMBER | LIMITS |
| A | <input checked="" type="checkbox"/> GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC | ACPBP0C5945521854 | EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COM/OP AGG \$ 2,000,000 |
| B | <input type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS | ACPBAPD5945521854 | COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (PER ACCIDENT) \$ |
| A | <input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB | ACPCAP5945521854 | EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000 |
| B | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below | ACPWCD5945521854 | <input checked="" type="checkbox"/> WC STATUTORY LIMITS E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000 |
| A | Employee Dishonest | 7900387274 | bond 500,000 |
| C | Professional Liab | CPH9801270 | Prof Liab 2,000,000 |
| DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required) | | | |
| CERTIFICATE HOLDER | | CANCELLATION | |
| Insured Copy | | SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. | |
| | | AUTHORIZED REPRESENTATIVE  | |
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**EXTERNAL QUALITY
CONTROL REVIEW**

External Quality Control Review

Purvis, Gray and Company is a member of the AICPA's Governmental Audit Quality Center (GAQC). Our firm places high priority on its quality control and has undergone a peer review made by the AICPA at least every three years since 1979. Because our firm has a heavy concentration of governmental and utility audit clients, several governmental audit engagements are selected for review by the peer review team. We have included a copy of that report and we are pleased to report there was no letter of comment.



Fowler, Holley, Rambo & Stalvey, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

Curtis G. Fowler, CPA, PFS, CFP® • Carlton W. Holley, CPA • C. Wayne Rambo, CPA, CVA • Richard A. Stalvey, CPA

3208 Wildwood Plantation Drive • Post Office Box 1887 • Valdosta, GA 31603-1887 • (229) 244-1559 • (800) 360-3123 • Fax (229) 245-7369

System Review Report

September 11, 2013

To the Partners of
Purvis, Gray and Company, LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Purvis, Gray and Company, LLP (the firm) in effect for the year ended May 31, 2013. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

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

In our opinion, the system of quality control for the accounting and auditing practice of Purvis, Gray and Company, LLP in effect for the year ended May 31, 2013, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Purvis, Gray and Company, LLP has received a peer review rating of *pass*.

Fowler, Holley, Rambo & Stalvey, P.C.
Fowler, Holley, Rambo & Stalvey, P.C.

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James E. Folsom, CPA • R. Arden DeLoach, Jr., CPA • B. Scott Taylor, CPA • Robert D. Elliott, CPA • Emily A. Browning, CPA, CFFA
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**WHY PURVIS, GRAY
AND COMPANY?**

Why Purvis, Gray and Company?

WE ARE INDUSTRY EXPERTS

Firm-wide Utility and Governmental Practice Emphasis

State-wide Reputation in Utility and Governmental Industries



PERSONNEL ASSIGNED TO JOB

Partners, Manager and Senior all Experienced CPAs

Partners and Managers On Site In the Field = Better Audit



HIGH QUALITY SERVICE DELIVERY

Technical Excellence Delivered With High Quality Service

Relationship and Deadline Orientation



REQUIRED FORMS



CITY OF GAINESVILLE

Customer Copy

BUSINESS TAX STATEMENT

TAX YEAR BEGINS OCTOBER 1, 2016 AND ENDS SEPTEMBER 30, 2017

TREASURY DIVISION OF THE DEPARTMENT OF FINANCE

btmail@cityofgainesville.org

BUSINESS TAX NO.

18754

BUSINESS NAME AND MAILING ADDRESS

8/31/2016

PURVIS, GRAY, & COMPANY LLP PO BOX 141270 GAINESVILLE, FL 32614

BUSINESS LOCATION

222 NE 1ST ST

BUSINESS PHONE

352-378-2461

BUSINESS E-MAIL

dmarriott@purvisgray.com

Based on your most recent information update, the following is an estimate of your taxes due. These amounts may change if your information has changed.

Table with 3 columns: CATEGORY, DESCRIPTION, TAX FEE. Rows include STATE LICENSE/CERTIFICATION REQUIRED, FICTITIOUS NAME REQUIREMENT, ACCOUNTANT/AUDITOR, PARTIAL PAYMENT, and TOTAL TAX DUE ON OR BEFORE 10/3/2016: \$525.00

BUSINESS TAX ACCOUNT INFORMATION VERIFICATION

Before making payment, verify that the Business Location, Mailing Address, Business Phone, and Business Email above are correct. If changes need to be made, please call (352) 334-5024.

METHODS OF PAYMENT

- 1. PAY ONLINE AT http://www.cityofgainesville.org (CHOOSE "ONLINE SERVICES"), OR
2. IN PERSON OR COURIER DELIVERY AT CITY HALL, 200 E. UNIVERSITY AVE., 3RD FLOOR, GAINESVILLE, FL 32601. MONDAY THROUGH THURSDAY FROM 7AM TO 6PM AND FRIDAY 8AM TO 3:30PM (DO NOT MAIL PAYMENTS TO THIS ADDRESS)
3. MAILING ADDRESS: PO BOX 490, STA. 47, GAINESVILLE, FL 32627.

PENALTIES FOR LATE PAYMENTS (Receipt based on online payment time stamp)

Fee schedules based on receipt date:

Table with 3 columns: Receipt date, Penalty, Total due. Rows show penalties for receipts received on or after October 4, 2016, November 1, 2016, December 1, 2016, and January 1, 2017.

Payments not received on or before Friday, March 31, 2017 will be assessed an additional STATUTORY PENALTY OF \$250.

APPROVED AS/FINANCE DIRECTOR

Florida Statutes require the City to obtain certain documentation PRIOR to the issuance of a business tax receipt. Please e-mail (btdocs@cityofgainesville.org) or fax (352-393-8316) the following documentation:

- A copy of the current fictitious name registration or completed affidavit
A copy of the current state certificate, registration or license for each licensed professional

If your business does not have current copies of the required documentation on file with the City, you will NOT receive a business tax receipt. You may pay your business tax online prior to submitting the required documents, and a business tax receipt will be e-mailed to you after the required documents are received and verified.

ALL CITY, STATE AND FEDERAL REQUIREMENTS MUST BE MET IN ORDER TO LEGALLY OPERATE A BUSINESS, PROFESSION OR OCCUPATION WITHIN THE CORPORATE LIMITS OF GAINESVILLE, FLORIDA. PAYMENT OF BUSINESS TAXES AND A RECEIPT FOR PAYMENT DO NOT IMPLY THAT A BUSINESS HAS COMPLIED WITH ANY OR ALL OTHER RELEVANT STATUTORY AND REGULATORY PROVISIONS. THE CITY OF GAINESVILLE DOES NOT REFUND BUSINESS TAXES PAID IN ERROR UNLESS THE ERROR IS A CLERICAL MISTAKE MADE BY THE CITY.

If you have any questions about the Business Tax requirements or process, email btmail@cityofgainesville.org or call 352-334-5024

Thank you for doing business in the City of Gainesville!

City of Gainesville

Date: 9/16/2016 1:49 PM BernawKC
Office: Main TN/RN:10 00881613

Account:187546 Date: 9/16/2016 1:47 PM
Advance-Occupational Lic \$525.00
001 2231 AR53

Payment Total: \$525.00

Transaction Total: \$525.00
CheckTendered \$525.00

Thank You



Zoning Compliance Permit

City of Gainesville
Planning & Development Services
P.O. Box 490, Station 11
Gainesville, FL 32602-0490
Phone: 352.334.5023 FAX: 352.334.3259

EXISTING BUSINESS

| FOR OFFICE USE ONLY | | |
|--|---|-------------------------------------|
| ZCP No. <u>ZC-4-00107</u> | Date: <u>3/31/2014</u> | |
| <input checked="" type="checkbox"/> ZCP Approved | <input type="checkbox"/> ZCP Approved with Conditions | <input type="checkbox"/> ZCP Denied |

Part 1 - To be completed by Applicant

A Zoning Compliance Permit must be completed for the following: Zoning Approval (Home Occupations, Day Care Center etc), Building Inspections Department Approval (Change of Use Permit or Occupancy Permit, if needed), Occupational License Tax and Alcohol Beverage License.

1. Applicant to complete Part 1.
2. Forward the document to the Planning Department (mail or fax 352.334.3259) for processing
3. Planning staff will Approve, Approve with Conditions or Deny Zoning Compliance Permit.
4. Planning staff will complete Part 2.
5. The completed Zoning Compliance permit will be returned to Applicant as indicated below

Name of Business: Purvis Gray and Company, LLP

Address of Business: 222 NE 1st Street

City, State and Zip Code: Gainesville, FL 32601

Business Phone: 352-378-2461 Fax: 352-378-2505

Proposed Use of Premises: CPA Firm

Applicant Name: Dylan Means

Mailing Address: P.O. Box 141270

City, State and Zip Code: Gainesville, FL 32614

Phone Number: 352-378-2461 Alternate contact: 352-416-1166



Please initial the following, indicating that you understand the requirements:

I understand that I must comply with current Florida Building Code through the Building Department and obtain any necessary permits; that I must obtain an Occupational License through the Finance Department; that I must meet parking standards for my zoning district; and that falsifying information may result in my Zoning Compliance Permit being revoked.

Signature of Applicant: Dylan Means Date: 3/31/14

Return to Applicant: Pick up at Thomas Center Return by Mail Return by Fax
D.MEANS@PURVISGRAY.COM

Zoning Compliance Approval Form

Part 2 – To be completed by staff

Planning Division Analysis

Initial Review Date: 3/31/2014 Tax Parcel Number: 14727 - 000 - 000
 Map Number: 3951 Zoning District: CCD SIC Code: IR 8721

Murphy Wellfield Protections Permit

Located in Wellfield Zone: Yes No
 Permit Required: EXEMPTION Primary WELLFIELD SPECIAL USE PERMIT Secondary WELLFIELD PERMIT Tertiary
 Conditions or Comments: _____

Special Overlay Plans or Districts: Yes No
 Central Corridors NW 39th Avenue Corporate Park
 Traditional City University Heights SW 13th Street
 Five Points Gateway Street Special Environmental Overlay
 Idylwild-Serenola College Park Significant Ecological Communities

Parking Standard for Zoning District
 Parking Standard, Vehicle: 1 per 300SF Bicycles: 10% of Vehicle Standard

Comments: _____
 SIGNATURE/PLANNING DIVISION Michael G. Page DATE: 3/31/2014

DRUG-FREE WORKPLACE FORM

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

Purvis, Gray and Company, LLP does:

(Name of Business)

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

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



Bidder's Signature

10-25-16

Date



CITY OF GAINESVILLE, FLORIDA

CONSULTANTS/FIRMS CERTIFICATION

RFP # CAUD-170010-DH for Professional Auditing Services

The City of Gainesville requires, as a matter of policy, that any Consultant or firm receiving a contract or award resulting from the Request for Proposals issued by the City of Gainesville, Florida, shall make certification as below. Receipt of such certification, under oath, shall be a prerequisite to the award of contract and payment thereof.

I (we) hereby certify that if the contract is awarded to me, our firm, partnership, or corporation, that no members of the elected governing body of City of Gainesville, nor any professional management, administrative official or employee of the City, nor members of his or her immediate family, including spouse, parents, or children, nor any person representing or purporting to represent any member or members of the elected governing body or other official, has solicited, has received or has been promised, directly or indirectly, any financial benefit, including but not limited to a fee, commission, finder's fee, political contribution, goods or services in return for favorable review of any Proposal submitted in response to the Request for Proposals or in return for execution of a contract for performance or provision of services for which Proposals are herein sought.

Purvis, Gray and Company, LLP
NAME OF BUSINESS

Sworn to and subscribed before me

BY: [Signature]
SIGNATURE

this 25 day of October, 2008 2016

Ronald D. Whitesides, CPA, Partner
NAME & TITLE, TYPED OR PRINTED

[Signature]
Signature of Notary
Notary Public, State of Florida

PO Box 141270
MAILING ADDRESS

Personally Known X
OR
Produced Identification

Gainesville, Florida 32614-1270
CITY, STATE, ZIP CODE

Type:

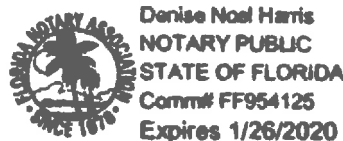
(352) 378-2461
TELEPHONE NUMBER

DUNS Number: 08-509-1098

(352) 378-2505
FAX NUMBER

RWhitesides@purvisgray.com
EMAIL ADDRESS

Company Tax ID # 59-0548468



PROPOSAL RESPONSE FORM – SIGNATURE PAGE

(submit this form with your proposal)

TO: City of Gainesville, Florida
200 East University Avenue
Gainesville, Florida 32601

PROJECT: Professional Auditing Services

RFP/RFQ#: RFP NO. CAUD-170010-DH

RFP/RFQ DUE DATE: October 27, 2016

Proposer’s Legal Name: Purvis, Gray and Company, LLP

Proposer’s Alias/DBA: _____

Proposer’s Address PO Box 141270

Gainesville, Florida 32614-1270

PROPOSER’S REPRESENTATIVE (to be contacted for additional information on this proposal)

Name: Ronald D. Whitesides Telephone Number 352.378.2461

Date: _____ Fax Number 352.378.2461

Email address RWhitesides@purvisgray.com

ADDENDA

The Proposer hereby acknowledges receipt of Addenda No.’s 1, 2, 3, to these Specifications.

TAXES

The Proposer agrees that any applicable Federal, State and Local sales and use taxes, which are to be paid by City of Gainesville, are included in the stated bid prices. Since often the City of Gainesville is exempt from taxes for equipment, materials and services, it is the responsibility of the Contractor to determine whether sales taxes are applicable. The Contractor is liable for any applicable taxes which are not included in the stated bid prices.

LOCAL PREFERENCE (check one)

Local Preference requested: YES NO

A copy of your Business tax receipt and Zoning Compliance Permit should be submitted with your bid if a local preference is requested.

QUALIFIED LOCAL SMALL BUSINESS STATUS (check one)

Is your business qualified as a Local Small Business in accordance with the City of Gainesville Small Business Procurement Program? (Refer to Definitions) YES NO

SERVICE-DISABLED VETERANS' BUSINESS (check one)

Is your business certified as a service-disabled veterans' business? YES NO

LIVING WAGE COMPLIANCE

See Living Wage Decision Tree (Exhibit C hereto)

Check One:

- Living Wage Ordinance does not apply
(check all that apply)
- Not a covered service
 - Contract does not exceed \$100,000
 - Not a for-profit individual, business entity, corporation, partnership, limited liability company, joint venture, or similar business, who or which employees 50 or more persons, but not including employees of any subsidiaries, affiliates or parent businesses.
 - Located within the City of Gainesville enterprise zone.
- Living Wage Ordinance applies and the completed Certification of Compliance with Living Wage is included with this bid.

NOTE: If Contractor has stated Living Wage Ordinance does not apply and it is later determined Living Wage Ordinance does apply, Contractor will be required to comply with the provision of the City of Gainesville's living wage requirements, as applicable, without any adjustment to the bid price.


SIGNATURE ACKNOWLEDGES THAT: (check one)

- Proposal is in full compliance with the Specifications.
- Proposal is in full compliance with specifications except as specifically stated and attached hereto.

Signature also acknowledges that Proposer has read the current City of Gainesville Debarment/Suspension/Termination Procedures and agrees that the provisions thereof shall apply to this RFP.

ATTEST:

(CORPORATE SEAL)
PROPOSER:



Signature
By: Ronald D. Whitesides, CPA
Title: Partner

Signature
By: _____
Title: _____

ADDENDUM NO. 1



Date: September 28, 2016

Bid Date: October 27, 2016
at 3:00 P.M. (Local Time)

RFP Name: Professional Auditing Services for General Government
And Gainesville Regional Utilities

Bid No.: CAUD-170010-DH

NOTE: This Addendum has been issued only to the holders of record of the specifications.

The original Specifications remain in full force and effect except as revised by the following changes which shall take precedence over anything to the contrary:

1. Any questions shall be submitted in writing to the City of Gainesville Purchasing Division by 3:00 p.m. (local time), October 13, 2016. Questions may be submitted as follows:
Email: holderds@cityofgainesville.org
or
Faxed (352) 334-3163
Attention: Diane Holder
2. Please find attached:
 - a) Copy of the black-out period information (Financial Procedures Manual Section 41-423 Prohibition of lobbying in procurement matters)) distributed during mandatory pre-bid meeting.

3. D. NON-MANDATORY PRE-PROPOSAL CONFERENCE

Please add the following:

A teleconference option is available to interested participants as follows:

Conference Participant:

1. At the specified time, dial the Dial-in Number 844-809-3799
2. When prompted, enter your Conference Code.
3. Your Conference Code is 5576566553

Participant Star Commands

4. Mute – Participants can mute/unmute their own lines by pressing *6

The following are answers/clarifications to questions received prior to the non-mandatory pre-bid conference:


4. Question: We have reviewed the RFP to provide Professional Auditing Services for General Government and Gainesville Regional Utilities. Is there any way we can attend the pre-proposal conference via conference call, please?

Answer: See #3 above.

ACKNOWLEDGMENT: Each Proposer shall acknowledge receipt of this Addendum No. 1 by his or her signature below, and a copy of this Addendum to be returned with proposal.

CERTIFICATION BY PROPOSER

The undersigned acknowledges receipt of this Addendum No. 1 and the Proposal submitted is in accordance with information, instructions, and stipulations set forth herein.

PROPOSER: Purvis, Gray and Company, LLP
BY: 
DATE: 10-25-16

ADDENDUM NO. 2



Date: October 3, 2016

Bid Date: October 27, 2016
at 3:00 P.M. (Local Time)

RFP Name: Professional Auditing Services for General Government
And Gainesville Regional Utilities

Bid No.: CAUD-170010-DH

NOTE: This Addendum has been issued only to the holders of record of the specifications and attendees of the non-mandatory pre-bid conference held on September 29, 2016.

The original Specifications remain in full force and effect except as revised by the following changes which shall take precedence over anything to the contrary:

1. Any questions shall be submitted in writing to the City of Gainesville Purchasing Division by 3:00 p.m. (local time), October 13, 2016. Questions may be submitted as follows:
 - Email: holderds@cityofgainesville.org
 - or
 - Faxed (352) 334-3163
 - Attention: Diane Holder
2. Please find attached:
 - a) Copy of the black-out period information (Financial Procedures Manual Section 41-423 Prohibition of lobbying in procurement matters)) distributed during mandatory pre-bid meeting.
 - b) List of pre-bid dial-in participants
 - c) Copy of the Pre-Bid sign-in sheet for your information.
 - d) Current contract
3. Diane Holder, Purchasing Division, discussed bid requirements.
 - a. Sign-in Sheet is circulating. A teleconference option was offered.
 - i. If you have dialed-in, please email your information (Business name, address, your name, email address, phone number and fax number) to Diane Holder.
 - b. Discussed bid due date, time and delivery location.
 - i. Deliver (or have delivered) to Purchasing office no later than by 3PM on October 27, 2016.
 - ii. Any bids received after 3:00 p.m. on that date will not be accepted.
 - c. Send questions in writing to Diane Holder via email or fax.
 - i. All communication through Diane Holder or Purchasing staff only. Do not communicate with other City staff.
 - d. Various forms are to be completed and returned with your bid.
 - i. Sign, date and return all Addenda.

The following are answers/clarifications to questions received at the non-mandatory pre-bid conference:

4. Question: If you submit a proposal for both, are they evaluated independently or together?
Answer: They will be evaluated independently.
5. Question: Page 2, C. Proposal Submission. Please clarify the number of submittals?
Answer: One original and **seven** (7) copies for total of 8.
6. Question: What is the composition of the evaluation committees?
Answer: Brecka Anderson, Amy Spitzer, and Dan Smierciak for General Government and Eileen Marzak, Claudia Rasnick and Len Loria for GRU.
7. Question: For GRU, there are procedures leading to bond issuances, I see there is an anticipated a bond issuance in the next couple fiscal years during the contract period, what are the typical procedures that are required?
Answer: Currently (and it may change), the remarketing agents require Agreed Upon Procedures and it depends on when the bond or other debt issuance is going to occur, so it could be at fiscal year-end or it could be another point in time (such as the end of a quarter) .
8. Question: But they are typically agreed upon procedures?
Answer: Typically, currently.
9. NOTE: Section V-General Provisions, B General Terms and Conditions #7. Term. This will be an initial three year contract with the option to renew for two 2-year extensions.
10. Question: Please clarify the years. Is it September 30, 2017 going forward?
Answer: Yes, September 30, 2017 going forward.
11. Clarification: For an overview of how the process will go. Teams will be performing the evaluation on the technical and written proposals. For firms deemed qualified, Purchasing staff will open Fee proposals and assign points. More than likely we will have oral interviews; GRU has decided to have interviews, but General Government is still deciding. The City Auditor is the Contract Coordinator and, after receiving the team evaluations and the scoring process complete, will make a recommendation to the Audit and Finance Committee on the final ranking which then goes to the City Commission for final approval. We are projected to bring that recommendation to the Audit and Finance Committee in January 2017 and the City Commission in February 2017. This way, we will have contract in place to do any interim field work for spring or summer for 2017.
12. Question: On page 4, Item K and Exceptions to the RFP unless it's specifically stated. A quick read page, I haven't seen anywhere in here where there are specific areas where we are not allowed to take exceptions. In the General Terms and Conditions on page 18, if we take exception for example to the indemnification clause in number 4, are you expecting a red line "we don't agree with this" or "this is how we would like to see this" or how would you that presented?

Answer: You may submit exceptions as stated in Item K "...All exceptions taken must be specific, and the Proposer must indicate clearly what alternative is being offered to allow the City a meaningful opportunity to evaluate and rank proposals..."

13. Question: Can we get a copy of the contract to use as a template?

Answer: Please refer to the current contract (attached) as a template. This does not include any current changes in law.

The following are answers/clarifications to questions received after the non-mandatory pre-bid conference:

14. Question: May we please receive a copy of the General Government prior year financial statements?

Answer: Documents are available at: <http://www.cityofgainesville.org/Portals/0/bf/CAFR%202015.pdf>

15. Question: How many auditors were in the field last year and for approximately how many days during the General Government audit?

Answer: 3 – 4 auditors. 2 weeks during interim and about a month for final.

16. Question: What was the prior year fee for the General Government audit?

Answer: The FY16 audit fees for General Government are as follows:

| | |
|--------------------------------|------------------|
| General Government | \$ 97,599 |
| Wild Spaces Public Places | 3,500 |
| Community Redevelopment Agency | <u>5,000</u> |
| Total FY16 Audit Fees | <u>\$106,099</u> |

17. Question: Who is responsible for preparing the General Government financial statements and notes?

Answer: The City prepares the financial statements and the notes with the auditing firm reviewing and consulting?

ACKNOWLEDGMENT: Each Proposer shall acknowledge receipt of this Addendum No. 2 by his or her signature below, **and a copy of this Addendum to be returned with proposal.**

CERTIFICATION BY PROPOSER

The undersigned acknowledges receipt of this Addendum No. 2 and the Proposal submitted is in accordance with information, instructions, and stipulations set forth herein.

PROPOSER: Purvis, Gray and Company, LLP

BY: 

DATE: 10-25-16

ADDENDUM NO. 3



Date: October 17, 2016

Bid Date: October 27, 2016
at 3:00 P.M. (Local Time)

RFP Name: Professional Auditing Services for General Government
And Gainesville Regional Utilities

Bid No.: CAUD-170010-DH

NOTE: This Addendum has been issued only to the holders of record of the specifications and attendees of the non-mandatory pre-bid conference held on September 29, 2016.

The original Specifications remain in full force and effect except as revised by the following changes which shall take precedence over anything to the contrary:

The following are answers/clarifications to questions received after the non-mandatory pre-bid conference:

1. Question: When are the books closed and ready for audit?
Answer: GRU's response—the books will be closed and ready for audit by the last week in November.
GG's response – the books close mid to late December.
2. Question: What is the current or desired audit fieldwork schedule for preliminary and final fieldwork?
Answer: GRU's response—the desired preliminary fieldwork dates are August timeframe and the final fieldwork dates would begin the last week of November.
GG's response – currently the preliminary is early September and the final is the end of November.
3. Question: What level of assistance does GRU staff give for the audit, i.e. schedules prepared, etc.?
Answer: GRU staff prepares all lead schedules which will tie to the financial balances for the balance sheet and prepares all supporting documentations, including excel files.
4. Question: Does GRU staff prepare the financial statement and notes to the financial statements?
Answer: GRU prepares the MD&A, financial statements and all notes.
5. Question: What is the due date for the reports? The 2015 report was dated February 24, 2016. Were there any unusual circumstances in the 2015 audit?
Answer: GRU's response—the final due dates for the audit reports is February 25th if circumstances on GRU's side cause the reports to be delayed (for example, GASB 68 entries). GRU's expectation is that January 15th is the date that all reports are finalized and the financial statements are issued. GASB 68 delayed the issuance of the financial statement for the 2015 audit.
GG's response – the due date for the reports is six months after the fiscal year end.

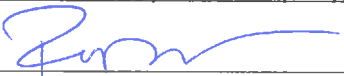
6. Question: How many estimated hours are done for current fieldwork, i.e. number and level of staff, how many days on site, etc.?
 Answer: GRU's response—estimated hours are unknown. GRU noted for preliminary fieldwork, there are 4-5 people on site for 8-10 days (audit manager and staff/partner for a portion of the time). GRU noted for final fieldwork there are 4-6 people on site for three weeks (audit manager and staff/partner for a larger portion of the time than preliminary).
 GG's response – 3-4 auditors. 2 weeks during interim and about a month for final.
7. Question: What were the 2015 audit fees for the GRU audit?
 Answer: \$141,719
8. Question: Does GRU finance staff provide the valuation of derivative instruments marked to market at year end and write the note to the financial statements?
 Answer: Third parties provide the valuations. GRU staff prepares the note.
9. Question: Does GRU anticipate requiring an audit under the Uniform Guidance (single audit) for the 2017 audit year?
 Answer: No.

ACKNOWLEDGMENT: Each Proposer shall acknowledge receipt of this Addendum No. 3 by his or her signature below, **and a copy of this Addendum to be returned with proposal.**

CERTIFICATION BY PROPOSER

The undersigned acknowledges receipt of this Addendum No. 3 and the Proposal submitted is in accordance with information, instructions, and stipulations set forth herein.

PROPOSER: Purvis, Gray and Company, LLP

BY: 

DATE: 10-25-16