



Proposal to provide professional auditing services for

# City of Gainesville, Florida

**June 28, 2018**

**RFP NO. CAUD-190002-DH**



401 E. Jackson Street  
Suite 1200  
Tampa, Florida 33602

[cbh.com](http://cbh.com)

Prepared by:

**John J. Gilberto, CPA, MBA**

*Engagement Partner & Director of Government Services*

**P** 813.470.4568

**E** [jgilberto@cbh.com](mailto:jgilberto@cbh.com)

**Scott Anderson, CPA**

*Engagement Director*

**P** 813.470.4569

**E** [sanderson@cbh.com](mailto:sanderson@cbh.com)

June 28, 2018

I affirm that I am an officer of Cherry Bekaert and legally authorized to enter into a contractual relationship in the name of the Firm.




John J. Gilberto, Partner

Sworn to and subscribed before me

This 26 day of

June, 2018



Signature of Notary  
Notary Public, State of Florida



June 28, 2018

To the Auditor Selection Committee:

Cherry Bekaert LLP (“Cherry Bekaert” or the “Firm”) is pleased to submit this proposal to perform auditing services for the City of Gainesville (the “City”) for a period of two fiscal years beginning with the fiscal year ending September 30, 2018.

For the following reasons, we believe our Firm is best qualified to perform this engagement:

- ▶ You’ll be working with our **lead government services partner**, John Gilberto; **lead government technical resource partner**, Ron Conrad, and **government services director**, Scott Anderson. These professionals and the City’s entire proposed engagement team have dedicated their careers to serving the government sector and bring decades of combined experience to the City’s engagement.
- ▶ Practical guidance and strategies will help you **comply with current and future regulations, laws and standards**.
- ▶ The City’s proposed team **focuses its practice serving the government sector** and is highly experienced serving cities of similar size and scope as the City.
- ▶ Through our service to more than 150 government entities, our Government Services Industry Group is highly respected and is involved in quality **inspections and numerous technical committees** including Government Finance Officers Association (GFOA) committees, the American Institute of Certified Public Accountants (AICPA) State and Local Government Expert Panel and Governmental Audit Quality Center, the AICPA Governmental Accounting and Auditing Conference (GAAC), the Florida GFOA and other organizations.
- ▶ Your audit team has extensive hands on experience with municipal services including public works, employee, police and fire pension plans, water and sewer utilities, wastewater funds, recycling services, as well as the federal programs and state financial assistance projects in which the City participates.

Cherry Bekaert is one of the largest providers of government audit services throughout the Southeast United States. Our Government Services Group, comprised of more than **200 professionals, currently serves more than 150 government entities including over 30 municipalities firm-wide**. The City will receive high quality service provided locally out of our Tampa office, while enjoying the depth and breadth of a full team of highly trained and experienced professionals firm-wide.

Please feel free to contact me as an authorized representative at 813.251.1010, [jjgilberto@cbh.com](mailto:jjgilberto@cbh.com) or [sanderson@cbh.com](mailto:sanderson@cbh.com) should you have any questions regarding this proposal.

Sincerely,

**CHERRY BEAKERT LLP**



John J. Gilberto, CPA, MBA  
*Engagement Partner*



Scott Anderson, CPA  
*Engagement Director*

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# Tab 2: Technical Proposal

## Firm Profile

Cherry Bekaert, LLP  
401 East Jackson Street, Suite 1200  
Tampa, FL 33602  
P: 813.251.1010  
F: 813.251.9235  
sanderson@cbh.com  
Business Hours: M-F, 8AM-5PM

Cherry Bekaert, founded in 1947, is a limited liability partnership serving clients across the U.S. with offices in 9 states & Washington, D.C. The Firm also serves clients internationally through our alliance with Baker Tilly International, a global association of independent auditing and consulting firms.

The City's engagement will be served from the Tampa office that employs over 60 professional staff.

## Independence

Cherry Bekaert expressly affirms that it and its employees are independent of the City of Gainesville, Florida and all potential component units, as defined by generally accepted auditing standards and the United States General Accounting Office's Government Auditing Standards and Government Auditing Standards issued by the Comptroller General of the United States.

The firm has not engaged in any professional relationships involving the City for the past five (5) years. We will provide the City written notice of any professional relationships entered into during the period of this engagement.

## License to Practice in the State of Florida

Cherry Bekaert is currently licensed under Section 473.3101, Florida Statutes. The Florida license number issued by the Florida Department of Business & Professional Regulation is AD0010078.

**1100+**  
Associates Firmwide

**140+**  
Partners  
& Principals

**70** Years in  
Business



**\$200M+**  
Annual Revenue

Ranked as a Top  
Accounting Firm  
Across the U.S. **25**

**9** States  
& Washington, D.C.

Serving Clients  
Across the U.S. &  
Internationally

Founding Member of Baker Tilly International  
The **8th Largest Accountancy and Business Advisory Network** in the World  
Represented by **796 Offices** in **147 Countries**  
Combined Revenue of **\$3.4 Billion**  
**33,600** Staff Worldwide

## Firm Qualifications and Experience with Government Entities

Cherry Bekaert is one of the largest providers of government audit services throughout the Southeast United States. Our Government Services Group (GSG), comprised of more than **200 professionals across the firm**, currently serves more than **150 government entities** including over **30 municipalities** firm-wide.

The commitment of the Firm to the public sector is demonstrated by our sustained growth in this practice area and the depth of experience of personnel in our Government Services Group. As a result of this commitment, our personnel have extensive knowledge of the methods and techniques applicable to government auditing.

### ***Understanding Governmental Accounting***

Over the years, we have assisted our clients with Governmental Accounting Standards Board (GASB) pronouncement implementation, providing research and advice, to resolve many complex accounting issues. This guidance has ranged from providing guidance related to the initial set-up of Other Postemployment Benefits (OPEB) trust agreements, from assisting with analysis of fund definitions, categories and disclosures of fund balances under GASB #54 to most recently helping to understand and implement GASB #75 (OPEB).

We typically meet with our clients during engagement planning and throughout fieldwork to discuss new pronouncements and issues surrounding implementation. We would meet with the City upon award for the contract to discuss the impact of GASB #75 on the City and provide examples of implementation. We are very proactive in follow-up communication to derive appropriate solutions in the planning stages. As our clients have experienced, our knowledge of GASB requirements is complemented by our proactive willingness to invest necessary time and resources, including appropriate consultation.

**150+**  
Government Clients

**200+**  
Employees  
Dedicated to Serving  
Our Government Clients

**110,000+**  
Hours Annually  
of Audit Service to Our Government Clients

**Billions of Dollars**  
of Federal Grants Audited Annually

The City's engagement team offers an unmatched depth of knowledge with GASB, Uniform Guidance and the State of Florida's various audit specifications, as well as upcoming reporting standards, known (e.g., GASB #75) and unknown (e.g., potential fiscal sustainability reporting).

As leaders in the industry, your team, in addition to our 15 partners firm-wide who are primarily dedicated to serving local government, has been providing such guidance for the majority of their careers – bringing decades of combined experience to the City.

Additionally, members of the engagement team have helped numerous governmental organizations prepare their GFOA awarded CAFRs by providing assistance, which generally include at a minimum:

- ▶ Discussing significant changes in Governmental Accounting Standards Board reporting standards during our planning meetings;
- ▶ Reviewing prior year GFOA reviewer comments and providing recommendations for resolution; and
- ▶ Preparing or reviewing the GFOA checklist as part of our CAFR review procedures prior to issuing our opinion.

As a firm, we have provided support in obtaining and maintaining the certification to more than 75 governments, with several of our partners participating in the program as certificate reviewers.

### **Practical Single Audit Experience**

Cherry Bekaert is the auditor for numerous Florida municipalities and, as such, we understand and have hands on audit experience with the federal programs, and state financial assistance projects that the City expends. We understand and have experience auditing those grants under the requirement, in accordance with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, *Rules of the Auditor General*.

The Single Audit is a specialized industry. In recognition of the importance of single audits and government financial audits, the AICPA has instituted the Government Audit Quality Center (GAQC). The GAQC is a voluntary membership center that promotes the importance of quality governmental audits and the value of such audits to purchasers of governmental audit services. Cherry Bekaert is an active member of the GAQC. **Ron Conrad is a member of this committee**, and will bring that first-hand knowledge and participation to the City to ensure that new guidance, trends and industry issues are brought to your attention.

Our Single Audit procedures are facilitated by our experienced GSG professionals and the extent of Single Audit procedures required for the clients we

serve. We are very much focused on identifying grants to be tested, documenting our understanding of grant controls over compliance, ensuring we have the latest compliance supplements and other federal guidance associated with Single Audit requirements, testing grant compliance and related controls, and communicating the results of our tests.



We often communicate with federal and state agencies during our planning process to ensure we have their most recent regulatory requirements and to ensure we are familiar with any communications or audits they have conducted in association with our clients that may influence the extent and nature of our procedures. Any findings we may have will be appropriately discussed with the City and placed in the proper perspective. It is important to ensure any comments we may have are clearly articulated and accurately describe the content of the finding in accordance with requirements of *Government Auditing Standards*.

### **GFOA Certificate of Achievement for Excellence**

The GFOA *Certificate of Achievement for Excellence in Financial Reporting* is highly recognized as the epitome of financial accountability and quality reporting. As with all of our GFOA submitting entities, we will assist you in any way necessary to help you continue to receive this award every year.

As a firm, we have provided support in obtaining and maintaining the certification to more than 75 governments, with several of our partners and

managers participating in the program as certificate reviewers. Before issuance of our audit reports, we will review the CAFR in comparison to not only our Firm's standard governmental reporting checklist, but also the current GFOA reporting checklist to help ensure the CAFR is in compliance with the certificate program requirements. We will also review any comments received from the GFOA from the most recent submission to ensure all matters are addressed appropriately.

### **Approach to Auditing ERP Systems**

We have developed an integrated financial statement audit approach to ensure that we consider Information System (IS) controls when determining how much the City can rely upon internal controls for financial reporting and compliance with laws and regulations. Our IS controls review methodology is based upon the COSO framework and addresses both the control activities in place and management's underlying policies, documentation and monitoring of the controls. We categorize our review procedures of general controls as follows:

- ▶ Entity-wide security program planning and management controls provide a framework and continuing cycle of activity for managing risk, developing security policies, assigning responsibilities, and monitoring the adequacy and effectiveness of IS and security controls.
- ▶ Access controls limit or detect access to computer resources (data, programs, equipment and facilities), thereby protecting these resources against unauthorized modifications, loss, and disclosure.

- ▶ Network controls provide control and monitoring to detect and prevent attacks upon the network by internal or external sources such as unauthorized network access, implantation of malware or disruption of service.
- ▶ System development and program change controls prevent implementation of unauthorized programs or modifications to existing programs that may alter financial data, modify or destroy application audit trails, or introduce processing errors.
- ▶ System software controls limit and monitor access to powerful programs and utilities and sensitive files that control computer hardware, secure applications supported by the system, and monitor and record activities.
- ▶ Segregation-of-duty controls provide policies, procedures, and an organizational structure to prevent one individual from controlling key aspects of computer-related operations and thereby conducting unauthorized actions or gaining unauthorized access to assets or financial records.
- ▶ Service continuity controls ensure that when unexpected events occur, critical operations continue without interruption or promptly resume to minimize the impact of disruption on an entity's critical mission and protect sensitive data from destruction.



### **Thought Leadership and Additional Technical Guidance**

The field of governmental accounting and financial management is dynamic for the City and its external auditors. Pronouncements from the GASB (altering internal accounting and external reporting), the AICPA (modifying audit standards and procedures), and the Office of Management and Budget (creating new compliance demands associated with the expenditure of Federal funds) all have significant impact on the City and the public sector as a whole.

**Cherry Bekaert's Government Services Blog** (<http://www.cbh.com/industries/government/>) helps keep our governmental clients up to date on vital business and financial information.

### **Cherry Bekaert Government Benchmarking Survey**

Our annual survey aggregates responses from over 300 government financial and operational leaders designed to capture and identify significant trends on issues relevant to governments. Survey topics include:



Please see the summary results on the following page. The entire report of our 2018 Government Benchmarking Survey is available on our website at <http://www.cbh.com/2018-local-government-benchmarking-survey-results/>

## Cherry Bekaert is pleased to present the results of our 7th Annual State & Local Government Benchmarking Survey!

### HIGHLIGHTS (150+ RESPONSES)

**Retirement** was the most common factor attributed to turnover

**83%** of respondents indicated salaries increased in the past year

**59%** of respondents say their entity does not need to be more transparent

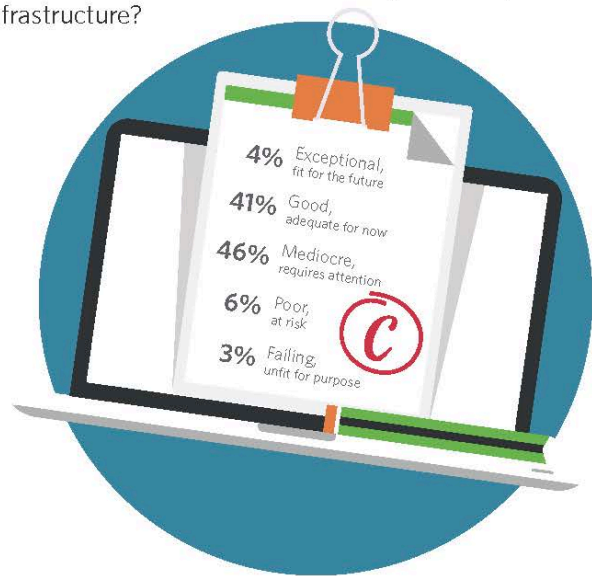
**The replacement of aging infrastructure** is the most important concern for those budgeting funding

**80%** of respondents indicated they are not aware of any fraud being perpetrated against their entity within the last year

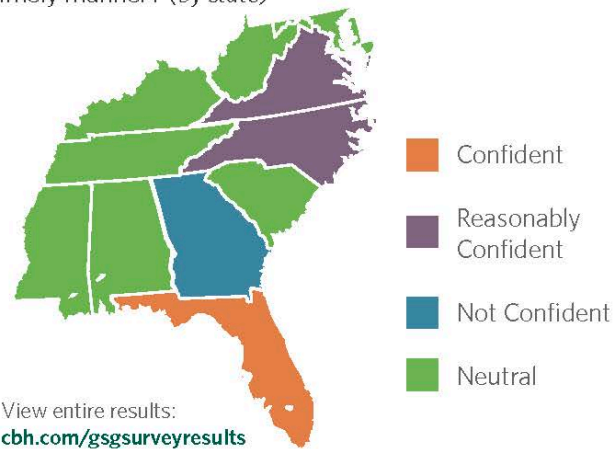
**70%** of respondents indicated their entity does not use tax abatement programs

**86%** of respondents report following the Financial Reporting Model GASB project

In 2017, the American Society of Civil Engineers gave the American infrastructure a D+. How would you classify your infrastructure?



How confident are you of your incident response program in detecting, responding to, and recovering from a breach in a timely manner? (by state)



View entire results:  
[cbh.com/gsgsurveyresults](http://cbh.com/gsgsurveyresults)

For the Firm’s professional staff assigned responsibility for the City’s audit, below is a list and rank of the five most relevant engagements performed in the last three years that are similar to the engagement described in this Request for Proposals.

Client	City of St. Petersburg, Florida (Total Hours: 1,800)
Service Dates	2015-present
Client Contact	Anne Fritz, Finance Director 727.892.5113, anne.fritz@stpete.org
Services	Financial and compliance audit, agreed upon procedures, GFOA CAFR Review
Engagement Partner	Scott Anderson and John Gilberto
Common Team Members	Lauren Strope, Senior Manager

Client	City of Clearwater, Florida (Total Hours: 1,300)
Service Dates	2015-present
Client Contact	Brian “Jay” Ravins, Finance Director 727.562.4533, jay.ravins@myclearwater.com
Services	Financial and compliance audit, agreed upon procedures, GFOA CAFR Review
Engagement Partner	John Gilberto
Common Team Members	Carlos Lopez, Manager and Lauren Strope, Senior Manager

Client	City of Port St. Lucie, Florida (Total Hours: 950)
Service Dates	2013-present
Client Contact	Edwin M. Fry, Jr., Finance Director 772.871.5191, efry@cityofpsl.com.
Services	Financial and compliance audit
Engagement Partner	Ron Conrad
Common Team Members	Scott Anderson, Director

Client	City of Pinellas Park, Florida (Total Hours: 800)
Service Dates	2005-present
Client Contact	Sonny Kotala, Finance Administrator 727.541.0700, skotala@pinellas-park.com
Services	Financial and compliance audit, GFOA CAFR Review
Engagement Partner	John Gilberto
Common Team Members	Lauren Strope, Senior Manager

Client	Hillsborough County, Florida (Total Hours: 4,300)
Service Dates	2010-present
Client Contact	Ajay Gajjar, Finance Director 813.307.7026, gajjar@hillsclerk.com
Services	Financial and compliance audit, agreed upon procedures, GFOA CAFR Review
Engagement Partner	Ron Conrad and John Gilberto
Common Team Members	Carlos Lopez, Manager and Lauren Strope, Senior Manager

A representative list of comparable government engagements in the State of Florida (past and current) include:

Hillsborough County, FL	Lee County, FL	Charlotte County, FL	Orange County, FL	Monroe County, FL
City of Haines City, FL	Pinellas County Planning Council	Pinellas County Metropolitan Planning Organization	Town of Jupiter, FL Pension Plan	Miami-Dade Aviation Department
Collier County District School Board	Orange County Public Schools	Polk County District School Board	St. Lucie County District School Board	City of Palm Beach Gardens, FL Pension Plans
Tampa Bay Estuary Program	Tampa Port Authority	Tampa Bay Regional Planning Council	Central Florida Regional Transportation Authority - LYNX	Southwest Florida International Airport
Village of Palmetto Bay, FL	School Board of Sarasota County	Sarasota-Manatee Airport Authority	Hillsborough County Public Transportation Commission	City of Fort Myers, FL
Hillsborough Area Rapid Transit (HART)	City of Pinellas Park, FL	Juvenile Welfare Board of Pinellas County	City of Clearwater, FL	City of St. Petersburg, FL

Representative firm-wide client experience (past and current) includes:

Firm-Wide Government Clients		
Counties		
<ul style="list-style-type: none"> <li>• Aiken County, SC</li> <li>• Augusta-Richmond County, GA</li> <li>• Beaufort County, SC</li> <li>• Charlotte County, FL</li> <li>• Columbia County, GA</li> <li>• Cumberland County, NC</li> <li>• Durham County, NC</li> <li>• Fairfax County, VA</li> <li>• Forsyth County, NC</li> </ul>	<ul style="list-style-type: none"> <li>• Guilford County, NC</li> <li>• Hillsborough County, FL</li> <li>• Lee County, FL</li> <li>• Loudoun County, VA</li> <li>• Mecklenburg County, NC</li> <li>• Monroe County, FL</li> <li>• New Hanover County, NC</li> <li>• Orange County, FL</li> <li>• Pickens County, SC</li> </ul>	<ul style="list-style-type: none"> <li>• Prince William County, VA</li> <li>• Randolph County, NC</li> <li>• Richland County, SC</li> <li>• Roanoke County, VA</li> <li>• Seminole County, FL</li> <li>• Spotsylvania County, VA</li> <li>• Volusia County, FL</li> <li>• Wake County, NC</li> <li>• York County, VA</li> </ul>
Cities and Towns		
<ul style="list-style-type: none"> <li>• City of Asheville, NC</li> <li>• City of Charlottesville, VA</li> <li>• City of Charlotte, NC</li> <li>• City of Chesapeake, VA</li> <li>• City of Clearwater, FL</li> <li>• City of Fairfax, VA</li> <li>• City of Fayetteville, NC</li> <li>• City of Ft. Myers, FL</li> <li>• City of Greensboro, NC</li> <li>• City of Hampton, VA</li> </ul>	<ul style="list-style-type: none"> <li>• City of Lake Helen, FL</li> <li>• City of Lake Wales, FL</li> <li>• City of North Augusta, SC</li> <li>• City of Pinellas Park, FL</li> <li>• City of Port St. Lucie, FL</li> <li>• City of Poquoson, VA</li> <li>• City of Portsmouth, VA</li> <li>• City of Raleigh, NC</li> <li>• City of Richmond, VA</li> <li>• City of Roanoke, VA</li> </ul>	<ul style="list-style-type: none"> <li>• City of South Miami, FL</li> <li>• City of St. Petersburg</li> <li>• City of Suffolk, VA</li> <li>• City of Titusville, FL</li> <li>• City of Vero Beach, FL</li> <li>• City of Virginia Beach, VA</li> <li>• City of Winston-Salem, NC</li> <li>• Town of Cary, NC</li> <li>• Town of Denton, MD</li> <li>• Town of Eatonville, FL</li> </ul>
Authorities, Boards and Commissions		
<ul style="list-style-type: none"> <li>• Atlanta Workforce Development Agency, GA</li> <li>• Augusta Canal Authority, GA</li> <li>• Beaufort-Jasper Water and Sewer Authority, GA</li> <li>• Central Florida Regional Transit Authority (LYNX)</li> <li>• Cleveland County Water, NC</li> <li>• Eastover Sanitary District</li> <li>• Economic and Industrial Development Authorities of the City of Newport News, VA</li> <li>• Economic Development Authority of Henrico County, VA</li> <li>• Greenville Water System, SC</li> <li>• Metropolitan Atlanta Rapid Transit Authority (MARTA)</li> <li>• Metropolitan Washington Airports Authority, DC</li> </ul>	<ul style="list-style-type: none"> <li>• Metropolitan Atlanta Rapid Transit Authority (MARTA)</li> <li>• Metropolitan Washington Airports Authority, DC</li> <li>• Miami-Dade Aviation Department</li> <li>• North Carolina Eastern Municipal Power Agency</li> <li>• North Carolina Municipal Power Agency Number 1</li> <li>• Orange County Educational Facilities Authority</li> <li>• Orange County Water and Sewer Authority</li> <li>• Piedmont Municipal Power Agency, SC</li> <li>• Piedmont Triad Airport Authority, SC</li> </ul>	<ul style="list-style-type: none"> <li>• Piedmont Triad Regional Water Authority, NC RDU Airport Authority, NC</li> <li>• Renewable Water Resources, SC</li> <li>• Richmond Metropolitan Transportation Authority</li> <li>• Sarasota Manatee Airport Authority, FL</li> <li>• South Carolina Public Service Authority (Santee Cooper)</li> <li>• Spartanburg County Public Library, SC</li> <li>• Upper Occoquan Service Authority</li> <li>• Virginia Peninsula Public Sanitation Authority</li> <li>• Volusia County Education Facilities Authority, FL</li> </ul>

### School Districts

- |   |  |  |
|---|--|--|
| <ul style="list-style-type: none"><li>• Atlanta Public Schools, GA</li><li>• Asheboro City, NC</li><li>• City of Chesapeake, VA</li><li>• City of Portsmouth, VA</li><li>• Collier County, FL</li><li>• Cumberland County, NC</li><li>• DeKalb County, GA</li><li>• Duval County, FL</li><li>• Fairfax County, VA</li></ul> | <ul style="list-style-type: none"><li>• Fulton County, GA</li><li>• Loudoun County, VA</li><li>• New Hanover County, NC</li><li>• Newport News City, VA</li><li>• Osceola County, FL</li><li>• Pasco County, FL</li><li>• Polk County, FL</li><li>• Richmond City, VA</li><li>• Roanoke County, VA</li></ul> | <ul style="list-style-type: none"><li>• Sarasota County, FL</li><li>• Seminole County, FL</li><li>• St. Johns County, FL</li><li>• St. Lucie County, FL</li><li>• Volusia County, FL</li><li>• York County, VA</li></ul> |
|---|--|--|

## Partner, Supervisory and Staff Qualifications and Experience

The City's engagement team includes our **lead government services partner**, John Gilberto; **lead government technical resource partner**, Ron Conrad, and **government services director**, Scott Anderson. The City will also benefit from working with Lauren Strope, audit senior manager and Carlos Lopez, audit manager given their years of government auditing experience.

Both Lauren and Scott volunteer as a GFOA CAFR reviewers. Many of their local government clients enjoy and benefit from their expertise and insight as GFOA reviewers.

Engagement team members are involved in quality inspections and numerous technical committees including GFOA committees, AICPA State and Local Government Expert Panel, the AICPA GAAC, the Florida GFOA, American Institute of CPAs and other organizations.

The Firm's GSG professionals specialize in providing services to organizations that operate with state and federal funding. Chapter 10.550, *Rules of the Auditor General of the State of Florida* and the Uniform Grant Guidance that impose critical restrictions on accounting methods and operations. We have staff that have decades of experience managing, auditing and consulting under the state and federal grant and contract regulations. Our specialists are very familiar with other contract and grant terms and conditions, specifically those applicable to most Florida municipalities such as grants from the U.S. Department of Transportation, U.S. Department of Housing and Urban Development, U.S. Department of Justice, Florida Department of Environmental Protection and Florida Department of Transportation.

Audit partners and staff are actively involved with recognized standard-setting organizations at the national level GFOA, state level FGFOA and League of Cities. The firm is also a member of the AICPA Governmental Audit Quality Center, which holds our firm to a higher standard of quality.



In our commitment to training, we require all client service professionals to complete at least 20 hours qualifying, continuing professional education (CPE) every year and at least 120 hours every three years. In addition, all client service professionals who serve governmental entities are required to complete 80 hours of CPE every 2 years with at least 24 hours in subjects that directly relate to government auditing and/or the government environment. See **Appendix A** for total CPE hours for the past three (3) years completed by each proposed member of the City's engagement team and **Appendix B** for sample CPE courses.

Yearly, Cherry Bekaert requires its staff to attend internal and external training courses in technical and non-technical skills in addition to holding annual seminars for staff, clients and non-clients in such areas of specialization as governmental industries.

All engagement team members meet or exceed the requirements of relevant continuing education, including the continuing education required by *Government Auditing Standards* (24 hours of government accounting and auditing credits). In addition to live training sessions, all Cherry Bekaert auditors participate in webinar sessions, which allows your engagement team to stay ahead of any changes to reporting or compliance requirements. Recent webinar training sessions have included topics such as: Accounting for OPEB under GASB



#75, GASB Leases – What You Need to Know Now, GASBs Invitation to Comment – Major Changes Proposed to Government Funds, An Overview of Internal Controls Over Compliance, Cybersecurity and 2017 GASB Update. Not only does your proposed engagement team participate in these sessions, several members of the engagement team are the instructors for such sessions.

In the mentoring and developing of our staff, we normally experience a progression of staff responsibility during the years of service on the engagement allowing their knowledge of the client to increase the efficiency of our team. We will periodically introduce new staff to our clients as bringing fresh talent and insight to the engagement team provides new ideas, while maintaining team continuity, which creates efficiency and reduces the learning curve for new team members.

However, if we lose a key person engaged with the City, we will replace that person from the top rather than from the bottom. For example, if the senior accountant needs to be replaced, the manager will step in to perform their role until a replacement has been assigned and has been brought up to speed on the City. We will keep the City informed of any personnel changes and how we will address before any changes are made to key personnel.

### ***Information Technology Expertise***

The Firm's IT Assurance Services group (ITAG) is comprised of professionals with specific credentials focused on information technology. Neal Beggan, Information Technology Partner, will be assigned to the City's audit.

Our IT assurance professionals have extensive IT control and audit experience working with diverse and complex software. This experience and practical knowledge is complemented by professional accreditations such as the Certified Information Systems Auditor (CISA), Certified Information Systems Security Professional (CISSP) and Certified Information Technology Professional (CITP) and affiliations including membership in the Information Systems Auditing & Control Association (ISACA),

Institute of Internal Auditors (IIA) and the American Institute of Certified Public Accountants (AICPA) Information Technology Section.

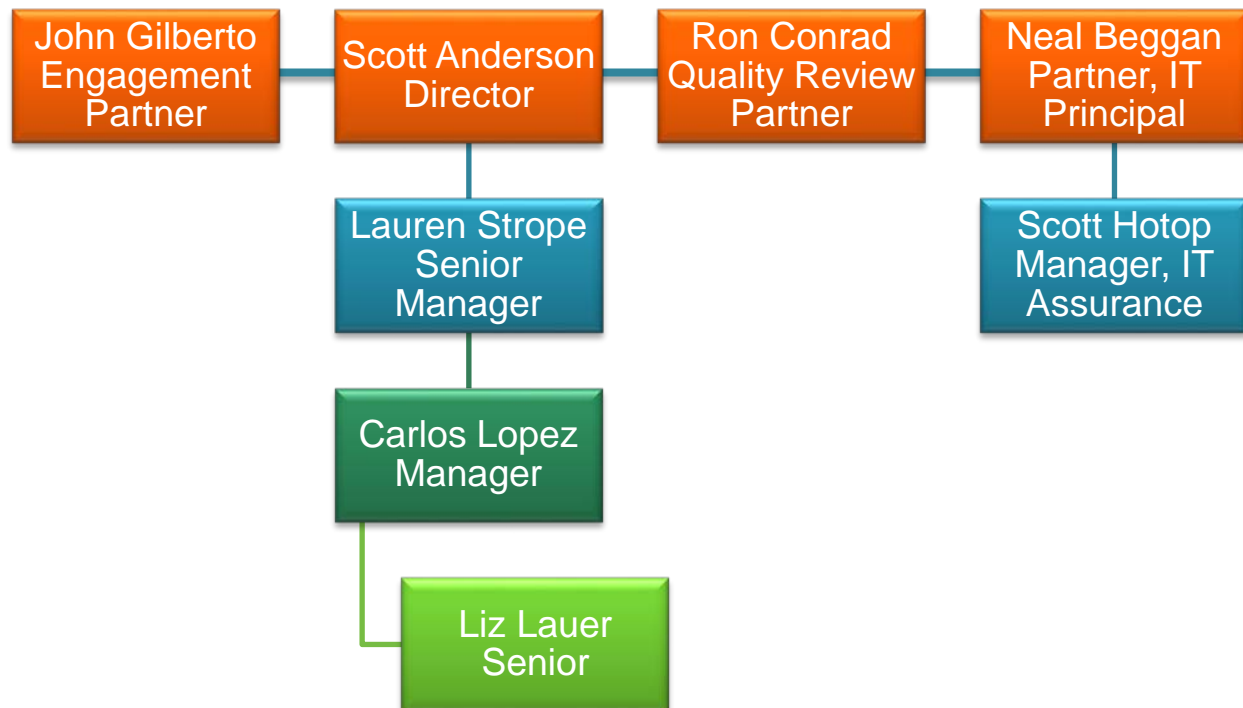


Our ITAG group has experience auditing all major ERP packages at state and local governments as well as commercial entities across the Southeast. As such, we use tailored IT audit programs based on your specific environment and the inner workings of specific software packages. This review will include the City's information systems environment and will incorporate use of IT Audit programs tailored to the City's specific environment and the inner workings of specific software packages. The City will have the assurance of direct review by a senior level individual with significant experience directly related to information systems.

Below is an organizational chart of the City's proposed engagement team. On the following pages please find full resumes of each team member that include CPA license numbers, government auditing

experience and membership in professional organizations relevant to the performance of this audit.

### City of Gainesville Engagement Team





## John J. Gilberto, CPA, MBA

Engagement Partner

*Industry Leader, Government Services Group*

Let's Talk

E [jgilberto@cbh.com](mailto:jgilberto@cbh.com)

P 813.251.1010

As the Firm's leader of the Government Services Industry Group, John has more than 25 years of public accounting experience providing audit and accounting services for state and local government entities throughout Florida, Virginia and North Carolina.

John has authored government industry articles and is a frequent speaker and instructor at industry conferences, including the AICPA National Government Conference, GFOA Annual Convention and the AICPA Quality Center webcasts. He has served as a member of the AICPA State and Local Government Expert Panel and the FGFOA technical resource committee, and currently serves on the AICPA Government Audit and Accounting Update Committee.

More than 40 hours of relevant continuing education during each of the last three years as required by *Government Auditing Standards*.

### Education

- ▶ BBA in Accounting, Guilford College
- ▶ MBA, University of North Carolina Chapel Hill
- ▶ FL CPA License# AC42677
- ▶ NC CPA License# 17014

### Relevant Experience

- ▶ City of St. Petersburg, Florida
- ▶ City of Clearwater, Florida
- ▶ City of Pinellas Park, Florida
- ▶ Miami-Dade Aviation Department
- ▶ Village of Palmetto Bay, Florida
- ▶ City of Norfolk, Virginia
- ▶ City of Virginia Beach, Virginia
- ▶ City of Durham, North Carolina
- ▶ Hillsborough County, Florida
- ▶ Orange County, Florida
- ▶ Charlotte County, Florida
- ▶ Prince William County, Virginia
- ▶ Fairfax County, Virginia
- ▶ Lee County, Florida
- ▶ Mecklenburg County, North Carolina
- ▶ Pinellas County Metropolitan Planning Organization
- ▶ Pinellas County Licensing Board
- ▶ Tampa Bay Regional Planning Council
- ▶ Tampa Port Authority



## Scott Anderson, CPA

Engagement Director

Let's Talk

E sanderson@cbh.com

P 813.251.1010

Scott is a licensed Certified Public Accountant in the states of Florida and North Carolina.

Serving the Firm's clients for over 13 years, Scott primarily provides audit services to local governments.

As a Director in the Firm's Audit practice, Scott advises clients in all phases of financial reporting. He oversees engagement planning, performance of audit tests and report writing. Clients have sought Scott's knowledge in documenting, evaluating and identifying areas of improvement in internal controls and processes, and his assistance in the writing of financial statements.

Scott has extensive experience with Grant Guidance and Chapter 10.550. He has also been an internal training instructor for over eight years, and has instructed at a number of external trainings, including the Florida GFOA Conference, and webinars sponsored by the Firm. Scott also serves on the GFOA Special Review Committee.

More than 40 hours of relevant continuing education during each of the last three years as required by *Government Auditing Standards*.

### Education

- ▶ B.A., Utah State University
- ▶ MAC, North Carolina State University
- ▶ FL CPA License# AC47907
- ▶ NC CPA License# 32398

### Relevant Experience

- ▶ City of St. Petersburg, Florida
- ▶ City of South Miami, Florida
- ▶ City of Ft. Myers, Florida
- ▶ Miami-Dade Aviation Department
- ▶ City of Durham, North Carolina
- ▶ City of Greensboro, North Carolina
- ▶ City of Raleigh, North Carolina
- ▶ Town of Wake Forest, North Carolina
- ▶ Hillsborough County, Florida
- ▶ Durham County, North Carolina
- ▶ Guilford County, North Carolina
- ▶ Wake County, North Carolina
- ▶ Village of Palmetto Bay, Florida
- ▶ Hillsborough County Public Transportation Commission
- ▶ North Carolina Eastern Municipal Power Agency
- ▶ North Carolina Municipal Power Agency Number 1
- ▶ South Carolina Public Service Authority (Santee Cooper)
- ▶ Tampa Bay Regional Planning Council
- ▶ Tampa Bay Estuary Program



## Ronald A. Conrad, CPA

Quality Review Partner

Let's Talk

E rconrad@cbh.com

P 407.423.7911

Ron is a Certified Public Accountant with over 35 years of public accounting experience including 16 years with Cherry Bekaert. He previously had 20 years of experience with Deloitte, where he led government services for a decade and authored the firm's national book on public sector accounting.

In addition to his client service responsibilities, Ron is the firm's technical service director for the government industry, responsible for monitoring industry accounting and auditing developments, coordination of the firm's industry training, and development of technical assistance for industry clients. He is also a frequent speaker on government industry matters, and served for seventeen years as a reviewer for the GFOA Certificate of Achievement for Excellence in Financial Reporting program.

Ron has been involved with hundreds of municipal debt issuances, assisting with consent and comfort letters, reviewing official statements and other consultations. He assists with these throughout the firm.

Ron is a member of the AICPA Government Audit Quality Center, FICPA, FGFOA and GFOA.

More than 40 hours of relevant continuing education during each of the last three years as required by *Government Auditing Standards*.

### Education

- ▶ BBA in Accounting, Wesleyan College
- ▶ FL CPA License# AC0011217

### Relevant Experience

- ▶ City of Clearwater, Florida
- ▶ City of Ft. Myers, Florida
- ▶ City of Haines City, Florida
- ▶ City of Lake Wales, Florida
- ▶ City of Maitland, Florida
- ▶ City of North Port, Florida
- ▶ City of Port St. Lucie, Florida
- ▶ City of St. Petersburg, Florida
- ▶ City of Stuart, Florida
- ▶ City of Titusville, Florida
- ▶ City of Vero Beach, Florida
- ▶ City of Winter Park, Florida
- ▶ City of Winter Springs, Florida
- ▶ Charlotte County, Florida
- ▶ Hillsborough County, Florida
- ▶ Orange County, Florida
- ▶ Lee County, Florida
- ▶ Monroe County, Florida
- ▶ Seminole County, Florida



## Neal W. Beggan, CISA, CRISC, CRMA

Principal, Risk Assurance & Advisory Services

Let's Talk

E nbeggan@cbh.com

P 703.584.8393

A Principal in the Risk Assurance & Advisory Services (RAS) Group of Cherry Bekaert, Neal is responsible for leading the Firm's IT Audit Group. Based in Washington, D.C., Neal oversees co-sourced internal audit projects for businesses and nonprofit organizations, as well as audit and consulting projects for the public and private sector. Clients depend on Neal to identify key IT and business risks and recommend practical solutions to mitigate those risks, as well as to perform operational audits to identify cost savings and revenue opportunities.

With professional designations including Certified Information Systems Auditor (CISA), Certified in Risk and Information Systems Control (CRISC) and Certified in Risk Management Assurance (CRMA), Neal has been serving clients since 2000 in the areas of IT audit, consulting and compliance. He has performed information technology reviews in the following areas across a myriad of information technology platforms: SOX 404, FISCAM, NIST 800-53/171 (FISMA, FedRAMP), HIPPA/HITRUST, ISO 27001/2, OMB A-130, SOC 1 and SOC 2.

Prior to joining Cherry Bekaert, Neal worked at a regional accounting firm as an IT audit manager, as an IT audit senior with a Big Four's Technology and Security Risk Services practice, and as a consultant with the Risk Advisory practice at a Big Four firm, where he held a top secret clearance.

### Education

- ▶ BBA in Finance with a concentration in Computer Information Systems, James Madison University

### Relevant Experience

- ▶ City of Pinellas Park, Florida
- ▶ City of Port St. Lucie, Florida
- ▶ City of Stuart, Florida
- ▶ City of Richmond, VA
- ▶ City of Chesapeake, VA
- ▶ City of Portsmouth, VA
- ▶ Hillsborough County, FL
- ▶ Charlotte County, FL
- ▶ Orange County, FL
- ▶ Monroe County, FL
- ▶ Seminole County, FL
- ▶ Lee County, FL
- ▶ Fairfax County, VA
- ▶ Loudoun County, VA
- ▶ Hanover County, VA
- ▶ Montgomery County, MD
- ▶ MARTA – Atlanta, GA



## Lauren Strope, CPA

Audit Senior Manager

Let's Talk

E [lstrope@cbh.com](mailto:lstrope@cbh.com)

P 813.251.1010

As Senior Manager, Lauren's duties will encompass all aspects of our services from planning, performing, supervising, reporting and completing the engagement, to direct client communication and value-added services.

Lauren is a Certified Public Accountant and Audit Senior Manager with over nine years of experience with Cherry Bekaert. She specializes in audit services to public sector clients, predominantly local governments. She focuses on financial reports, identification of key audit areas, testing design of key accounts and transaction cycles, and supervision of engagement teams. To further her expertise in reporting, Lauren volunteers as a GFOA CAFR reviewer. Many of the local government audits she has participated in have received the GFOA's Certificate of Achievement for Excellence in Finance Reporting as a result of the review program.

Lauren is an instructor for firm-sponsored trainings and has taught upper-level financial accounting courses for the University of South Florida. She serves as the Chair for the University of South Florida Accounting Circle.

More than 40 hours of relevant continuing education during each of the last three years as required by *Government Auditing Standards*.

### Education

- ▶ B.S. and MAcc, University of South Florida
- ▶ FL CPA License# AC46145  
*(Registered as Lauren Elizabeth Martin)*

### Relevant Experience

- ▶ City of Clearwater, Florida
- ▶ City of Pinellas Park, Florida
- ▶ City of St. Petersburg, Florida
- ▶ Sarasota County School District
- ▶ Sarasota County Internal Accounts
- ▶ Sarasota Manatee Airport Authority
- ▶ Tampa Port Authority
- ▶ Hillsborough Area Regional Transit (HART)
- ▶ Hillsborough County, Florida
- ▶ Loudoun County, Virginia
- ▶ Hillsborough County School District
- ▶ Juvenile Welfare Board of Pinellas County
- ▶ Lee County School District
- ▶ Pinellas County School District



## Carlos Lopez, CPA

Audit Manager

Let's Talk

E [clopez@cbh.com](mailto:clopez@cbh.com)

P 813.251.1010

Carlos is a Certified Public Accountant with over 7 years of accounting experience.

He started his career at Cherry Bekaert in Orlando as an intern, then as a staff auditing local governments and special districts in the state of Florida. As a senior auditor he oversaw the day-to-day engagement of Hillsborough County, FL for 3 years as well as other Tampa Bay area entities.

As an Audit Manager he ensures: engagements are appropriately staffed, staff are appropriately trained for assigned audit work, audit plans stay adaptive to any changing circumstances, audit work meets professional requirements, and most importantly, client needs are met in a timely and respectful manner.

Carlos is an instructor for firm sponsored trainings and has been a featured speaker at various firm sponsored public seminars.

### Education

- ▶ Bachelor of Science, Business Administration and Management, University of Central Florida
- ▶ Master of Science, Accounting, University of Central Florida

### Relevant Experience

- ▶ City of Clearwater, FL
- ▶ City of Fort Meyers, FL
- ▶ City of North Port, FL
- ▶ City of St. Petersburg, FL
- ▶ Hillsborough County, FL
- ▶ Hillsborough County Public Transportation Commission
- ▶ Charlotte County, FL
- ▶ Orange County, FL
- ▶ Pinellas County Metropolitan Planning Organization
- ▶ Pinellas County Planning Council
- ▶ Collier County District School Board
- ▶ Osceola County District School Board
- ▶ Tampa Port Authority





## Scott Hotop, CISA, CCSFP

IT Senior Manager, Risk Advisory Services Group

Let's Talk

E [shotop@cbh.com](mailto:shotop@cbh.com)

P 919.782.1040

An Information Technology Senior Manager in Cherry Bekaert's Risk Assurance and Advisory Services Group, Scott is a Certified Information Systems Auditor (CISA) and HITRUST's Certified CSF Practitioner (CCSFP) with more than 14 years of business and information technology experience performing IT audits, consulting and compliance work for public, private, and not-for-profit organizations. Scott specializes in managing reviews of the underlying IT General Controls (ITGCs) for financial reporting systems and SOC 1 and SOC 2 attestation engagements.

Prior to joining Cherry Bekaert, Scott worked for a large national bank as a Senior IT auditor where he was responsible for planning, executing and reporting on the state of risks across the bank's business units and banking platforms. Scott continues to use these past experiences to support Cherry Bekaert's Banking and Capital Markets group by leading compliance audits for BSA/AML, ACH, Identity Red Flags, and FFIEC IT testing.

Scott also has prior experience with a Big Four accounting firm as a senior auditor performing SOC 1, SOX 404 readiness and technical security assessments for various clients, including the Department of Defense – Defense Information Systems Agency (DoD-DISA), SunGard, General Dynamics, International City/County Management Association – Retirement Corporation (ICMA-RC), and Federal Home Loan Mortgage Corporation (Freddie Mac).

### Education

- ▶ Bachelor of Science in Accounting and Information Systems-Assurance Track at Virginia Polytechnic Institute and State University

### Areas of Expertise

- ▶ Internal Auditing and Internal Control Systems
- ▶ SOX Reporting Requirements
- ▶ BSA/AML Compliance
- ▶ ACH Compliance
- ▶ SOC 1, 2, 3 Audits
- ▶ IT Auditing
- ▶ Risk Assessments
- ▶ IT Security Testing

### Relevant Experience

- ▶ Scott is a member of the Information Technology team that oversees all of the Firm's governmental technology audits

Liz is a Senior Auditor with over 13 years of experience. She started her career at the University of Phoenix as a Finance Counselor and then as a Corporate Accountant. Liz advanced her career by joining the audit staff at the Arizona Auditor General's office and was an auditor with the Auditor General for 10 years, six of which she was a Senior Auditor. As a senior auditor she oversaw the day-to-day engagement of Maricopa County, AZ for 2 years, Arizona State University for 5 years, as well as other Phoenix area governmental entities. She recently joined Cherry Bekaert as a Senior Accountant.

#### Education

- ▶ B.S. in Accounting, University of Phoenix
- ▶ MBA, University of Phoenix

#### Relevant Experience

- ▶ Maricopa County, AZ
- ▶ Pinal County, AZ
- ▶ State of Arizona
- ▶ PILT, State of AZ
- ▶ Arizona State University
- ▶ Northern Arizona State University
- ▶ Arizona Department of Child Services
- ▶ Arizona Department of Air Quality
- ▶ Maricopa Community College, AZ

## Conflict of Interest

The Firm certifies there are no conflicts of interest due to any other client contracts or property interest.

## Specific Audit Approach

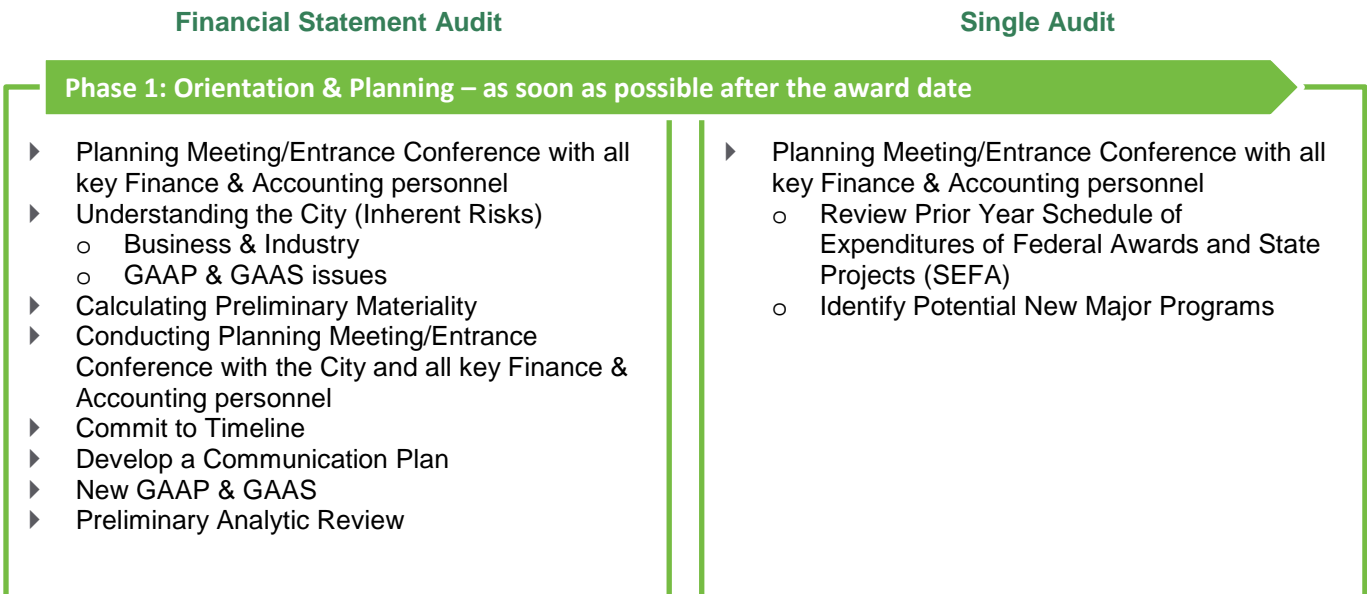
### a. Proposed segmentation of the engagement

Our audit approach focuses on a targeted examination of your financial statements by addressing the risks related to the fair presentation of the statements in accordance with accounting principles generally accepted in the United States.

In order to effectively implement our audit plan, we employ government industry experienced personnel to analyze the routine and unique processes and transactions accumulated and assimilated into the City's financial statements. Cherry Bekaert's service team resources will also be augmented by subject matter experts within our Firm to assure that all our resources are devoted to providing the City a level of service it expects and deserves.

Our approach will address accounting and auditing issues early to help the City provide a smooth audit at year-end. In addition to planning communications, we will communicate results of our interim procedures and reassess our audit plan to ensure issues have been addressed timely, staffing is appropriate, and our fieldwork is the highest quality. At the conclusion of the engagement, we will present the results of the audit to governing councils and boards. We pride ourselves on our year-round availability to ensure that those charged with governance are educated on current and upcoming accounting standards that could significantly affect the financial statements.

The following chart shows the key procedures applied during each of the defined stages of the financial statement and single audit engagements.



## Phase 2: Internal Controls Assessment & Risk Assessment – July - September

- ▶ Understanding the Design & Implementation of Controls (Control Risks)
    - Identifying Significant Internal Control Cycles
    - Understanding Information Technology (IT) Environment
  - ▶ Performing Walkthrough of Key Controls
  - ▶ Testing of Internal Controls & IT General Controls
  - ▶ Performing AU 316: Fraud Inquiries & Testing
  - ▶ Accumulating and Assessing Risks
    - Identifying Significant Accounts & Audit Cycles
    - Evaluating Risks & Tailoring Audit Programs to Mitigate Identified Risks
  - ▶ Progress Conference with the City, key finance & accounting personnel and other Department heads of key offices or programs
  - ▶ Provide a Detailed Audit Plan and listing of all schedules to be prepared by the City
- ▶ Identifying Type A and Type B programs in accordance with Uniform Grant Guidance/Chapter 10.550
  - ▶ Performing Risk Assessment to Determine Major Programs/Projects
  - ▶ Obtaining and Reviewing Applicable Compliance Supplement to Develop Audit Plan
  - ▶ Documenting of Internal Controls Related to Financial Reporting and Compliance for Major Programs/Projects
  - ▶ Performing Walkthrough of Key Internal Controls over Major Programs/Projects
  - ▶ Progress Conference with the City, key finance & accounting personnel and other Department heads of key offices or programs

## Phase 3: Fieldwork – November - January

- ▶ Preparing Third-Party Confirmations
  - ▶ Selecting Substantive Samples using Data Extraction Software
  - ▶ Completing Substantive Testing of Balances & Transactions
  - ▶ Proposing, Adjusting and Reclassifying Entries, If Necessary
  - ▶ Ongoing Progress Conference with the City, key finance & accounting personnel and other Department heads of key offices or programs
- ▶ Performing Tests of Key Controls over Major Programs
  - ▶ Selecting Sample Size
  - ▶ Testing Selections for Conformance with Applicable Compliance Requirements
  - ▶ Obtaining Federal Schedule of Expenditures to Determine Major Programs
  - ▶ Completing Testing
  - ▶ Discussing Findings with Management Including Obtaining Corrective Action Plans
  - ▶ Ongoing Progress Conference with the City, key finance & accounting personnel and other Department heads of key offices or programs

## Phase 4: Reporting & Delivery – February 28

### Reviewing Financial Statements & Footnote Disclosures with Management

- ▶ Completing Audit Report
- ▶ Review by Quality Review Partner
- ▶ Presenting Report and Management Letter to City
- ▶ Conducting Exit Conference with the City, key finance & accounting personnel and Department Heads of key offices or programs

- ▶ Preparing Compliance Reports and Schedule of Findings & Questioned Costs
- ▶ Presenting Report to the City

### **b. Staffing assignments and levels to be designated to each proposed segment of the engagement.**

The successful execution of an effective, efficient, and timely audit plan requires the coordination of all engagement team members and City personnel. We know this coordination can only be successful if the Firm's audit partners and managers actively bring their experience and guidance to the process—from the first day of fieldwork to the presentation of audit results. This extensive involvement is critical to ensuring all risks are addressed, any issues are resolved timely, and our audit services meet or exceed the City's expectations.

Our desire to establish a long-term partnership with the City is evident in the engagement team of seasoned government auditors and advisors who have committed themselves to the City's team.

The aspects of work each will be responsible for include:

**Partner/Director:** Each partner/director is a Certified Public Accountant (CPA) that has at least 10 years of experience and has earned a Bachelor degree or higher. Furthermore, all of the Partners/Directors assigned to the City's audit have over 10 years of government sector specific experience.

Responsibilities include: final authority in conduct of audit; full project management from planning to reporting; overseeing all staff; and bringing in

additional Firm resources, should the engagement dictate.

**Senior Manager:** Senior Managers are CPAs that have at least 7 years of experience and have earned a Bachelor degree or higher. A Senior Manager's responsibilities include overall planning and supervision of engagement.

**Manager:** Managers are CPAs that have a minimum of 5 years of experience and have earned a Bachelor degree or higher. Manager responsibilities include assisting with planning, supervision and review of engagement assignments.

**Senior Accountant:** Senior Accountants have a minimum of 2 years of experience and have earned a Bachelor degree or higher. Senior Accountant responsibilities include serving as an audit team member, requiring limited supervision, and providing the day-to-day supervision of other staff team members.

**Staff:** Each Staff Accountant is a recent college hire who has earned a Bachelor degree or higher. Staff Accountant responsibilities include serving as an audit team member, requiring close supervision

See the **Firm's Staffing Plan** on the following pages.

## Firm's Staffing Plan

Audit Phase	Staffing Level			
	Partners/Directors	Sr. Manager/ Manager	Senior	Staff
Orientation & Planning	5%	40%	40%	15%
Internal Controls Assessment & Risk Assessment	10%	20%	40%	30%
Fieldwork	5%	25%	30%	40%
Reporting & Delivery	15%	30%	35%	20%

### c. Extent of evaluation and use of electronic data processing software in the engagement

Our audit engagement of the City will combine data analysis software, wireless technology and engagement management software. As such, our documentation is virtually paperless with procedures documented in an automated environment and files shared through wireless technology.

Cherry Bekaert recognizes that the business landscape is rapidly changing with employees working remotely, businesses operating in multiple locations and technologies improving at lightning speed. Our service delivery process is constantly evolving to meet this changing landscape by providing a platform for performing quality and comprehensive services model that:

- ▶ Promotes real-time year round collaborative planning, communication and status updates;
- ▶ Integrates the technology of information sharing seamlessly and without disruption;
- ▶ Decompresses the evidence gathering burden on your team;
- ▶ Minimizes your training of Cherry Bekaert staff; and
- ▶ Enhances specialist interaction.

FLOW (Flexible Leveraged Optimized Workspace) is used across the audit process from planning to delivery of audit reports and other deliverables.



The Smartsheet® tool is used across the audit process from planning to delivery of audit reports and other deliverables. Cherry Bekaert utilizes this powerful cloud-based tool to create an audit process to track and manage the entire audit engagement in real-time through a highly secure platform. Delivery teams and clients have the ability to attach documents, log comments and notes, and show request status and progress throughout the year, not just at final fieldwork or at a single point in the process. Delivery teams can share the sheet to collaborate with clients in real-time creating efficiencies and enhancing a collaborative communication environment.

*Information Security Statement:* Cherry Bekaert takes the security of all our clients' data very seriously. Smartsheet® encryption and access controls protect your data at rest and in transit. In addition, Cherry Bekaert maintains Information Security Policies and monitoring procedures that only allow authorized individuals to access client data within Smartsheet based on their job function.

For more information on how Smartsheet delivers secure solutions, please visit:  
<https://www.smartsheet.com/security-info>

**d. Approach to be taken to gain and document an understanding of the City’s internal control structure.**

During the planning segment of the engagement, we will develop and review our documentation of the internal control environment over the financial reporting processes of the City to ensure we have the most current understanding of the risk assessment; information and communication; and monitoring processes and controls related. By focusing on internal controls in the planning segment of the engagement, we gain a strong understanding of the City’s significant areas and processes in order to perform the most efficient and effective audit possible.

During our interim procedures, we will access control risk factors corresponding with all significant financial statement assertions and balances, to include evaluating and testing process level control activities that we will rely on in performing the audit.

Consistent with every audit engagement we perform, IT audit specialists evaluate the impact of automated controls and systems used by the City.

**e. Approach to be taken in determining laws and regulations that will be subject to audit test work.**

We are quite familiar with compliance requirements applicable to the City and have a very positive reputation with federal and state regulatory agencies. Our compliance audit procedures will be designed to identify and test those transactions and activities that are likely to have a financial impact on the City’s financial statements and to determine whether they were carried out in accordance with the provisions of laws, rules and contracts. Our reports will note any instances of noncompliance that could have a material effect on the City’s financial statements.

**f. Approach to be taken in drawing audit samples for purposes of tests of compliance.**

Sampling tests are the most effective and efficient tests of the City’s control environment and may be performed in other aspects of the audit if sufficient evidence cannot be obtained through non-sampling procedures. Timing of the sampling tests depends on the type of test and the extent of testing will be determined by auditor judgment. The Firm has developed sample size guidelines for all sampling performed in order to form an opinion on the financial statements. Because many factors affect our sample sizes, we cannot state absolutely what they will be, but in practice, sample sizes usually vary from 2 to 90 items for a given test.

Our tailored audit program will employ statistical and non-statistical sampling in every aspect of the testing phase. We will test to ascertain that the significant strengths within the system are functioning as described to us. We will select and review transactions in sufficient detail to formulate conclusions regarding compliance with control procedures. We will design additional tests to provide reasonable assurance that the information produced by the accounting system is valid. The Firm has developed sample size guidelines for all samples performed in order to form an opinion on the financial statements under generally accepted auditing standards and Government Auditing Standards.

The objective of the guidelines is to improve the quality of sampling by:

- ▶ Relating sample sizes more directly to factors that influence sample size
- ▶ Reducing unexplainable sample size variability
- ▶ Encouraging the use of statistical sampling

Structured worksheets, which give appropriate recognition to factors such as reliance on internal control, nature and timing of audit procedures, size of the organization, dollar total of population being sampled, and sampling error, are used to effectively determine audit samples and evaluate the results.



We use these worksheets to determine the sample size for capital asset additions/dispositions, cash disbursements, accounts receivable, inventory and accounts payable. Sample size will vary based on materiality and the population being tested.

The extent to which we apply detailed audit procedures and sampling is based on quantitative and qualitative components of our materiality determination, our evaluation of audit risks and internal accounting control, and the characteristics of items comprising the account balances or class of transactions. For example: for a general fund with total expenditures of \$100M, a standard sample for accounts payable would be all disbursements > \$375,000.

**g. Approach to be taken in reviewing financial statements.**

To avoid any surprises, the City's engagement team reviews financial statements as early in the process as possible. The review begins with senior staff, which is then shared and discussed with the manager and engagement partner. This allows the team to provide a single round of comments or recommendations to the City providing time for edits or changes.

Our comments will be constructive and we prefer to meet in person to have a full discussion with the City.

We do not dwell on matters of insignificance; rather, we design comments to be useful and beneficial for improving the City's financial statements.

**h. Approach to be taken in assessing risks of information systems related to financial reporting.**

The Firm's IT Assurance Services group (ITAG) is comprised of professionals with specific credentials focused on information technology. Neal Beggan, Information Technology Partner, will be assigned to the City's audit.

Our IT assurance professionals have extensive IT control and audit experience working with diverse and complex software. This experience and practical

knowledge is complemented by professional accreditations such as the Certified Information Systems Auditor (CISA), Certified Information Systems Security Professional (CISSP) and Certified Information Technology Professional (CITP) and affiliations including membership in the Information Systems Auditing & Control Association (ISACA), Institute of Internal Auditors (IIA) and the American Institute of Certified Public Accountants (AICPA) Information Technology Section.



Our ITAG group has experience auditing all major ERP packages at state and local governments as well as commercial entities across the Southeast. As such, we use tailored IT audit programs based on your specific environment and the inner workings of specific software packages. This review will include the City's information systems environment and will incorporate use of IT Audit programs tailored to the City's specific environment and the inner workings of specific software packages. The City will have the assurance of direct review by a senior level individual with significant experience directly related to information systems.

## Proof of Professional Liability Insurance

Firms shall provide proof that they are in compliance with Rule 61H1-26.002, Florida Administrative Code, regarding Minimum Capitalization or Adequate Public Liability Insurance for Florida Firms.



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
9/21/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must 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).

<b>PRODUCER</b> Scott Insurance (Rich) 1700 Bayberry Court Ste. 200 Richmond VA 23226	<b>CONTACT NAME:</b> Cherice Tracy <b>PHONE (A/C No, Ext):</b> 804-545-2234 <b>E-MAIL ADDRESS:</b> ctracy@scottins.com	<b>FAX (A/C No):</b> 434-455-8524
	<b>INSURER(S) AFFORDING COVERAGE</b>	
<b>INSURED</b> CHERR-2 Cherry Bekaert LLP; Cherry Bekaert Wealth Mgmt LLC Cherry Bekaert-Chernoff Diamond LLC Cherry Bekaert International, Inc. PO Box 27327 Richmond VA 23261-7327	<b>INSURER A:</b> Great Northern Insurance Company (A)	<b>NAIC #</b> 20303
	<b>INSURER B:</b> California Insurance Company (A+)	<b>NAIC #</b> 38865
	<b>INSURER C:</b>	
	<b>INSURER D:</b>	
	<b>INSURER E:</b>	
	<b>INSURER F:</b>	

### COVERAGES

CERTIFICATE NUMBER: 369712384

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC <input type="checkbox"/> OTHER:			3589-47-97 RIC	10/1/2017	10/1/2018	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$1,000,000 MED EXP (Any one person) \$10,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$INCL IN GA \$
A	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS			7356-41-52	10/1/2017	10/1/2018	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$0			EUP0281005	10/1/2017	10/1/2018	EACH OCCURRENCE \$10,000,000 AGGREGATE \$10,000,000 \$
A	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N Y	N/A	7171-66-16	10/1/2017	10/1/2018	<input checked="" type="checkbox"/> PER-STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$500,000 E.L. DISEASE - EA EMPLOYEE \$500,000 E.L. DISEASE - POLICY LIMIT \$500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Partners Not Eligible for Coverage in the State of Rhode Island

### CERTIFICATE HOLDER

### CANCELLATION

EVIDENCE OF INSURANCE

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

*Stacy W. Hall*



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
11/02/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Integro Insurance Brokers  111 West Campbell 4th Floor Arlington Heights, IL 60005	1-847-385-6800	CONTACT NAME: Cathy Kuehl PHONE (A/C, No, Ext): 847-385-6808 E-MAIL ADDRESS: cathy.kuehl@integrogrou.com	FAX (A/C, No): 847-385-6801
INSURED Cherry Bekaert LLP  200 S. 10th Street Suite 900 Richmond, VA 23219		INSURER(S) AFFORDING COVERAGE INSURER A: NAUTILUS INS CO and various insurers	NAIC # 17370
		INSURER B:	
		INSURER C:	
		INSURER D:	
		INSURER E:	
		INSURER F:	

**COVERAGES**

CERTIFICATE NUMBER: 48406387

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	<b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER:						EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS  <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	<b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A				<input type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	<b>Professional Liability</b> Limits as required			PAP_1000004_P-8	10/30/16	10/30/17	<b>Each Claim</b> 1,000,000 <b>Annual Aggregate</b> 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

**CERTIFICATE HOLDER****CANCELLATION**

Parties at Interest	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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ACORD 25 (2014/01)

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Patty.Baxendale@integrogrou.com\_LEM  
48406387

## External Quality Control Review

Cherry Bekaert has passed, without exception, 13 consecutive peer reviews conducted under the auspices of the AICPA. The review included a number of specific government engagements for which Single Audit and Government Auditing Standards apply.

The Firm is a member of the AICPA's SEC Practice Section and Private Companies Practice Section (PCPS) of the Division for CPA Firms and practices under the AICPA-recognized quality control program. Selected Firm professionals are approved by the AICPA to perform peer review, quality assurance review and consulting review of other CPA firms' quality assurance programs. Firm leaders and partners in charge of industry practice areas maintain vital links to policy-making bodies in public accounting.

Our personnel committee assignments and industry associations include:

- ▶ Accounting Standards Executive Committee
- ▶ AICPA Professional Ethics Committee
- ▶ AICPA Auditing Standards Board
- ▶ AICPA Accounting and Review Services Committee
- ▶ The President's Council on Integrity and Efficiency and its Standards Subcommittee
- ▶ AICPA Technical Issues Committee, Private Companies Practice Section
- ▶ AICPA Tax Division and its Individual Taxation Subcommittee
- ▶ AICPA SEC Practice Section Executive Committee
- ▶ AICPA Accounting Practice Committee

A copy of our most recent peer review report as well as the acceptance letter from the AICPA is included on the following pages.



EisnerAmper LLP  
111 Wood Avenue South  
Iselin, NJ 08830-2700  
T 732.243.7000  
F 732.951.7400  
[www.eisneramper.com](http://www.eisneramper.com)

## System Review Report

January 10, 2017

To the Partners of Cherry Bekaert LLP  
And the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Cherry Bekaert LLP (the firm), applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended April 30, 2016. 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](http://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, audits performed under FDICIA, and examinations of service organizations [Service Organizations Control (SOC) 1 and SOC 2 engagements].

In our opinion, the system of quality control for the accounting and auditing practice of Cherry Bekaert LLP, applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended April 30, 2016, 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*. Cherry Bekaert LLP has received a peer review rating of *pass*.

*EisnerAmper LLP*  
EisnerAmper LLP  
Iselin, NJ

January 13, 2017

Howard Joseph Kies  
Cherry Bekaert LLP  
200 S 10th St Ste 900  
Richmond, VA 23219

Dear Mr. Kies:

It is my pleasure to notify you that on January 12, 2017 the National Peer Review Committee accepted the report on the most recent system peer review of your firm. The due date for your next review is October 31, 2019. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Sincerely,



Michael Fawley  
Chair—National PRC  
nprc@aicpa.org 919 4024502

cc: Marc T. Fogarty; Raymond R Quintin

Firm Number: 10011816

Review Number 451036

Letter ID: 1139057A

# Tab 3: Price Proposal

The Firm's price proposal is provided in a separately sealed envelope.



# Tab 4: Qualifications

## Size of the Firm

Cherry Bekaert has a firm-wide staff complement of over 1,100 associates and 140+ partners & principals across 9 states and the District of Columbia.

## Size of the Firm’s governmental audit staff

The firm’s Government Services Group is comprised of more than 200 professionals firm-wide.

## Location of the engagement office

The engagement will be served out of our Tampa office location, with quality review support from our Orlando office.

## Full-time professional staff

The Firm’s engagement team members are employed on a full-time basis. Below is breakdown of staff by level assigned to this engagement.

Employee Position	Number of Team Members
Partner/Director	4
Manager	2
Senior	1
Staff	3
Total	10

## Engagement Team Government Auditing Experience

Each engagement team member meets the Government Auditing Standards Yellow Book requirements.

Team Member	Government Auditing Experience (Years)
John Gilberto	25
Ron Conrad	35
Scott Anderson	13
Lauren Strobe	9
Carlos Lopez	7
Liz Lauer	11

**Desk Review**

While numerous government organizations routinely provide desk reviews of our reports, we are pleased to note that there have been no adverse actions resulting from those desk reviews during the past three (3) years.

**Disciplinary Action**

There has been no disciplinary action taken or pending against the firm by the Florida State Board of Accountancy, federal regulatory bodies or professional organizations, during the past three (3) years.

**Litigation**

Cherry Bekaert has not had any litigation or proceeding during the past two years in which a court or any administrative agency has ruled against the firm in any manner relating to its professional activities. Additionally, the Firm is not currently the subject of any litigation.

## Appendix A: Engagement Team CPE

Staff	General CPE			Yellow Book CPE		
	2015	2016	2017	2015	2016	2017
John Gilberto	120.5	67	36.5	118	48.5	27.5
Ron Conrad	38	52	39	38.5	62	39
Scott Anderson	49	94	56	53.5	115	52.5
Lauren Strope	48	52	46.5	49.5	52.5	46.5
Carlos Lopez	48	50	37	48	50	20
Liz Lauer*	0	13	12.5	42	33	27.5

\*Ms. Lauer recently joined Cherry Bekaert. Her previous employer, the Arizona Auditor General, only required 40 CPE hours.

## Appendix B: Representative CPE courses

- ▶ FGFOA 2017 Annual Conference – Local Government Accountability Update and General Session
- ▶ FGFOA 2017 Annual Conference – GASB Hot Topics and GASB Update
- ▶ 2017 GASB Update
- ▶ AICPA Peer Review Must-Select Industry Update: Governmental – Government Auditing Standards
- ▶ Risk Assessment When Auditing Employee Benefit Plans
- ▶ 2016 GASB Update
- ▶ Single Audit & Compliance Supplement Update
- ▶ An Overview of Internal Controls Over Compliance
- ▶ Enhancing Audit Quality
- ▶ A Deep Dive into GASB 77, 79, 80 and 81
- ▶ GASB OPEB – A Deep Dive
- ▶ Accounting for OPEB under GASB 74 and 75
- ▶ Single Audit: Best Practices to Avoid Common Audit Problems and Pitfalls
- ▶ Cash Flows in a Government Environment
- ▶ EDU/Gov/NFP Conference – Writing a Government Opinion
- ▶ EDU/Gov/NFP Conference – Internal Controls/COSO for Government & NFPs
- ▶ EDU/Gov/NFP Conference – Spot the Error – Government
- ▶ Impact of the Uniform Grant Guidance
- ▶ Cybersecurity for Not-for-Profit Entities
- ▶ GAO Green Book: Internal Control Standards
- ▶ GAAP for State and Local Governments: Fair Value Measurement
- ▶ Annual Governmental GAAP Update

## Appendix C: Required Forms

**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 for General Government

RFP#: CAUD-190002-DH

RFP DUE DATE: June 28, 2018

Proposer’s Legal Name: Cherry Bekaert LLP

Proposer’s Alias/DBA: \_\_\_\_\_

Proposer’s Address 401 East Jackson Street, Suite 1200  
Tampa, FL 33602

PROPOSER’S REPRESENTATIVE (to be contacted for additional information on this proposal)  
Name: Scott Anderson Telephone Number 813-251-1010  
Date: 6/22/18 Fax Number 813-251-9235  
Email address sanderson@cbh.com

**ADDENDA**

The Proposer hereby acknowledges receipt of Addenda No.’s No. 1, NO. 2, \_\_\_\_\_, 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 AND/OR DISABLED VETERAN 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

Is your business qualified as a Local Service-Disabled Veteran Business in accordance with the City of Gainesville Small and Service-Disabled Veteran Business Procurement Program? (Refer to Definitions)

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:

Geraldine Grady  
 Signature  
 By: Geraldine Grady  
 Title: Marketing Manager

Scott Anderson  
 Signature  
 By: Scott Anderson  
 Title: Director



# CITY OF GAINESVILLE, FLORIDA

## CONSULTANTS/FIRMS CERTIFICATION

RFP # CAUD-190002-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.

Cherry Bekaert LLP  
NAME OF BUSINESS

BY:   
SIGNATURE

Scott Anderson, Director  
NAME & TITLE, TYPED OR PRINTED

401 E. Jackson Street, Suite 1200  
MAILING ADDRESS

Tampa, FL 33602  
CITY, STATE, ZIP CODE


(813) 251-1010  
TELEPHONE NUMBER

(813) 251-9235  
FAX NUMBER

sanderson@cbh.com  
EMAIL ADDRESS

Sworn to and subscribed before me

this 22 day of  
June, 2008 ~~2018~~

  
Signature of Notary  
Notary Public, State of Florida

Personally Known   
OR  
Produced Identification \_\_\_\_\_

Type: \_\_\_\_\_

DUNS Number: 07-2025604

Company Tax ID # 56-0574444





## DRUG-FREE WORKPLACE FORM

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

\_\_\_\_\_ does:

(Cherry Bekaert LLP)

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

6/22/18  
\_\_\_\_\_  
Date

## Appendix D. Signed Addendum

## ADDENDUM NO. 1



Date: June 18, 2018

Bid Date: June 28, 2018  
at 3:00 P.M. (Local Time)

RFP Name: Professional Auditing Services for General Government Bid No.: CAUD-190002-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), June 25, 2018. Questions may be submitted as follows:
  - Email: [holderds@cityofgainesville.org](mailto: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) Attachment A – Current Contract and engagement letter
  - c) Attachment B – Employees’ Pension Fund-Auditor’s report
  - d) Attachment C - Community Redevelopment Agency-Auditor’s report
  - e) Attachment D - Other Postemployment Benefits Fund-Auditor’s report
  - f) Attachment E – Wild Spaces and Public Places Funds-Auditor’s report

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

3. Question: In preparation for the pre-bid meeting this Thursday it would be helpful to have the following:
  - a) Current auditor contract with all attachments and amendments including pricing breakdown.
  - b) 9/30/2017 and 9/30/2016 audited financial statement for the following (these are requirements of the RFP):
    - a. General Government’s Pension
    - b. Other Post-Employment Benefit (OPEB) Funds
    - c. Wild Spaces Public Places Capital Projects Funds
    - d. Community Redevelopment Agency (CRA) Funds

Answer: See attachments for reports.

The total bid was a lump sum \$105,000 for the first year (FY17), so there was no breakdown in the RFP.

However, internally when we prepared the PO, Finance broke it down as follows to charge the appropriate Funds:

001-General Government:	\$82,000
604-Gen Pen:	4,000
607/608-Consolidated:	4,000
358-WSPP	4,000
111-CRA:	5,000
601-Retiree Health	<u>6,000</u>
Total Contract	<u>\$105,000</u>

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: Cherry Bekaert LLP

BY: SA - Scott Anderson

DATE: 6/22/18



## ADDENDUM NO. 2

Date: June 21, 2018

Bid Date: June 28, 2018  
at 3:00 P.M. (Local Time)

RFP Name: Professional Auditing Services for General Government Bid No.: CAUD-190002-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), June 25, 2018. Questions may be submitted as follows:
  - Email: [holderds@cityofgainesville.org](mailto: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 non-mandatory pre-bid meeting.
  - b) Pre-Proposal Sign in sheet
  - c) ATTACHMENT – Consolidated Police Officers and Firefighters Retirement Plan-Auditor’s report
3. Diane Holder, Purchasing Division, discussed bid requirements.
  - a. Sign-in Sheet is circulating.
  - b. Bids are to be received by the Purchasing office no later than 3:00 p.m. on June 28, 2018. 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. Discussed black-out period.
    - i. All communication through Diane Holder only. Do not communicate with other City staff.
  - d. Discussed bid due date, time and delivery location.
    - i. Deliver (or have delivered) to Purchasing by 3PM on June 28, 2018.
  - e. Various forms (i.e. Tabulation of Subcontractor and Material Suppliers) are to be completed and returned with your bid.
    - i. Sign, date and return all Addenda. You may include just the signature page of the addenda with your proposal.
  - f. Include all information that MUST/SHALL be included with your proposal.

4. Eileen Marzak, Assistant City Auditor, discussed the project scope:
  - a. Time Table is on page 2 of the RFP document.
  - b. Carlos Holt, City Auditor, reports directly to the City Commission. He will oversee the contract and monitor the deliverables. Audit & Finance committee, which consists of two city commissioners (mayor and mayor pro-tem), approve items of the City Auditor's office to go to the City Commission. (see Section D, page 22).
  - c. The City went through a RFP process for General Government (GG) and Gainesville Regional Utilities (GRU) in 2016 for FY 2017, FY 2018 and FY 2019 with two additional two-year periods. The deliverables were not timely for FY 2017 under the current contract for General Government, and the contract was subsequently cancelled.
  - d. This contract term will be for FY 2018 and FY 2019 with two additional two-year periods to bring it back in alignment with the GRU contract. (see correction below)
  - e. Page 9 –Scope of Services, includes audits for:
    - i. General Government
    - ii. Wild Spaces Public Places
    - iii. Community Redevelopment Agency (CRA)
    - iv. Consolidated Pension (Fire and Police)
    - v. General Employee Pension Plan
    - vi. OPEB

**NOTE CORRECTION:**

**SECTION V-GENERAL PROVISIONS**

**B. GENERAL TERMS AND CONDITIONS**

7. Term. The term of the contract(s) will commence upon final execution and will continue for ~~three~~ two (3-2) years, subject to funding in subsequent fiscal years. At the end of the contract period, upon satisfactory performance, the City may, at its option, negotiate and extend the contract(s) for up to two additional two year periods.

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

5. Question: Do you want the electronic versions of the proposal and price proposal on separate CD's or can they be on one?  
Answer: Two separate CD's
6. Question: Where in our submittal should we include required forms (i.e. Drug Free Workplace, Proposal Response Form)?  
Answer: You may include them under a tab "Required Forms" at the end of your proposal.
7. Question: Was the audit for the Consolidated Pension audit separate? Who did it?  
Answer: The Consolidated Police and Fire audit is part of this contract. Please see Page 22 for the list of single employer pension and OPEB plans included in the scope. In our response to Addendum #1 we erroneously omitted the attachment of that audit; that audit is now attached as part of this Addendum #2. The City is looking for a total price for the RFP. The City internally charges each fund accordingly.

8. Question: It looks like the prior auditor drafted the previous statements and the City did the CAFR. How does the City want it?  
Answer: City staff prepares the CAFR, and the various individual financial statements based on auditor templates.
9. Question: Do you want one price for all separate audits and the main CAFR audit?  
Answer: Yes, all together for one price.
10. Question: Page 11 refers to rates for additional services. Have you required additional services?  
Answer: No.
11. Question: Do you want rates for additional services?  
Answer: No, it will be negotiated if required.
12. Question: What is your typical timeline? Internal timeline?  
Answer: Staff will be prepared for auditors with all entries, draft fund financials, and standard lead schedules by the beginning of December. Typically present the CAFR and financials to the City Commission by the end of March.
13. Question: You discuss a potential new software. Where are you with that process?  
Answer: Proposals for a new ERP are currently due June 29, 2018. That is probably at least two years out. Factor that into your proposal.
14. Question: Are there any accounting issues i.e. bond?  
Answer: The Finance Department is strong in its knowledge base with accounting issues and in performance. The recent transition with a new finance director was seamless and did not interfere with the audit timeline.
15. Question: What about past financial performance? Are there any issues?  
Answer: No management letter comments for several years, rarely any suggested journal entries.
16. Question: Do you know the engagement hours?  
Answer: No. We do not track it and it is not on the invoice. The billing is based on a percentage basis.
17. Question: Can you provide the audit fee for the past?  
Answer: See addendum #1.

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: Cherry Bekkaert LCP

BY: [Signature]

DATE: 6/22/18