

September 13, 2018

**Proposal to Provide Professional  
Auditing Services to:**

**City of Belle Isle, FL**

**RFP #2018-20**

**COPY**

Authorized Individual to Submit this  
Proposal and Execute the Personal Services  
Agreement

**Andrew Laflin, CPA, Principal**  
Andrew.laflin@CLAconnect.com  
direct 813-384-2711 | mobile 813-784-3140



WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

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CliftonLarsonAllen

CliftonLarsonAllen LLP  
CNL Center II  
420 South Orange Avenue  
Suite 500  
Orlando, FL 32801  
407-802-1200 | fax 407-802-1250  
CLAconnect.com

## 2. COVER LETTER

September 13, 2018

Mr. Bob Francis, City Manager  
City of Belle Isle  
1600 Nela Avenue  
Belle Isle, FL 32809

**RE: Request for Proposals (RFP) for Annual Auditing Services – RFP Number: 2018-20**

Dear Mr. Francis:

Thank you for inviting us to propose our services to you. CliftonLarsonAllen LLP (CLA) gladly welcomes the opportunity to share our approach to helping City of Belle Isle (the City) meet its need for professional services. The enclosed proposal responds to your request for auditing services for three fiscal years, beginning October 1, 2018 with the option to extend for three (3), one (1) year extensions for 2021-2023.

We are confident that our extensive experience serving similar governmental entities, bolstered by our client-oriented philosophy and depth of resources, will make CLA a top qualified candidate to fulfill the scope of your engagement. The following differentiators are offered for the City's consideration:

- ***We know you!*** We know and understand the City. By currently providing forensic assessment services to you, we have established a deep understanding of the City's key transaction cycles and related internal controls. The work we have performed and intimate knowledge we have gained helps us hit the ground running when we begin the audit engagement, so you will not have to bring us up to speed on your core operations, saving you time, money, and stress on your employees!
- ***Specialized Government Insight and Resources.*** As the one of the nation's leading professional services firms, and one of the largest firms who specialize in the public sector, CLA has the experience and resources to assist the City with its audit needs. In addition to your experienced local engagement team, the City will have access to one of the country's largest and most knowledgeable pools of public sector resources.
- ***OMB Uniform Guidance (UG) Experience.*** CLA performs single audits for hundreds of organizations annually, ***ranking top in the nation for the number of single audits performed by any CPA firm.*** The single audit requires a specific set of skills in order to properly perform the procedures. As such, we have developed a group of professionals who specialize in providing single audit services, should the City ever require a federal or state single audit.
- ***Strong Methodology and Responsive Timeline.*** In addition to our Florida local government clients, we currently serve more than 2,100 governmental organizations nationally. Our staff understands your complexities not just from a compliance standpoint, but also from an operational point of view. We have developed a work plan that takes into consideration your unique needs as a governmental entity in Florida. The work plan also minimizes the disruption of your staff and operations, and provides a blueprint for timely delivery of your required reports.

- **Communication and Proactive Leadership.** The City will benefit from a high level of hands-on service from our team's senior professionals. We can provide this level of service because, unlike other national firms, our principal-to-staff ratio is similar to smaller firms – allowing our senior level professionals to be involved and immediately available throughout the entire engagement process. Our approach helps members of the engagement team will stay abreast of key issues at the City, and take an active role in addressing them.
- **A Focus on Providing Consistent, Dependable Service.** We differ from other national firms in that our corporate practice focuses on the needs of non-SEC clients, thus allowing us to avoid the workload compression typically experienced by firms that must meet public companies' SEC filing deadlines. CLA is organized into industry teams, affording our clients with specialized industry-specific knowledge supplemented by valuable local service and insight. Therefore, the City will enjoy the service of members of our state and local government services team who understand the issues and environment critical to governmental entities.

We are confident that our technical approach, insight, and resources will result in unparalleled client service for the City. All terms and conditions contained in the RFP are accepted by CLA.

For ease of evaluation, the structure for our proposal follows your RFP section titled, *6. Proposal Requirements* and has been limited to 30 pages. We accept all terms and conditions as stipulated within RFP # 2018-20.

We are eager to work with you and welcome the chance to present our proposal to the City Council or entire management team. If you have any questions about our offerings, please do not hesitate to contact me via phone 813-384-2711 or email [Andrew.laflin@CLAconnect.com](mailto:Andrew.laflin@CLAconnect.com).

Sincerely,  
CliftonLarsonAllen LLP



Andrew Laflin, CPA  
Principal

### 3. HISTORY OF FIRM

**We promise**  
*to know you and help you.*

Established on January 2, 2012, CliftonLarsonAllen (CLA) continues the legacy of quality, service, and experience that each Clifton Gunderson and LarsonAllen has built for more than 60 years. The joint firm is unique in the industry due to its deep industry specialization, seamless integrated capabilities, primary focus on privately held businesses and their owners as well as governmental and nonprofit organizations, and career-building strategy. We continue to hold true to the values and culture that have made the individual practices successful in the past.

#### Overview

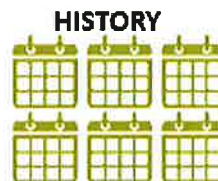
CLA delivers integrated wealth advisory, outsourcing, audit, tax, and consulting services to help clients succeed professionally and personally. Our broad professional services allow us to serve clients more completely — from startup to succession and beyond.

Our professionals are immersed in the industries they serve and have specialized knowledge of their operating and regulatory environments. With more than 5,000 people, more than 110 U.S. locations, and a global affiliation, we bring a wide array of approaches to help clients in all markets, foreign and domestic.

#### Financial Stability

As a privately held company we do not provide financial information outside of the company. CLA is in good standing and maintains a D&B rating of 5A1.

**60+**  
years  
in business



**FISCALLY STRONG**



**\$850**  
million in revenue



**LOCATION**

More than **110**  
locations  
nationwide

**NATIONAL**



Among the nations'  
leading professional  
services firm

**5,400+**  
employees



**RESOURCES**

Including: **600+** state  
and local government  
professionals

**INDUSTRY DRIVEN**



**We serve**

**2,100+**  
Governmental entities



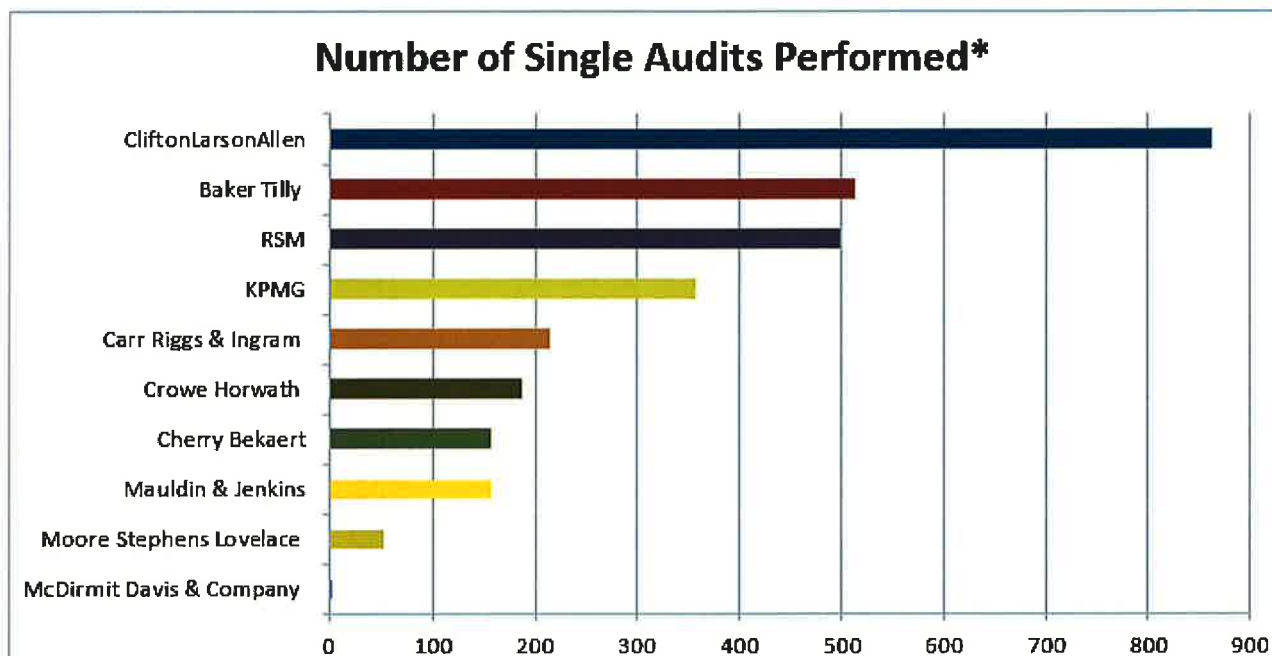


## 4. AUDIT EXPERIENCE

### Single Audit Experience

CLA has become the national leader in providing audit, consulting and many other financial services to government entities similar to the City. Our client portfolio of government and nonprofit organizations represents nearly half of the firm's total revenues. You will benefit from CLA's experience in this area. As outlined in the following table, **CLA performs more single audits annually than any other firm in the nation.** We audited more than **\$28.8 billion** dollars in federal funds. **We have included a sample of a recent single audit report in the Appendix.**

The table below illustrates CLA's experience in serving organizations that receive federal funds and demonstrates our firm's dedication to serving governmental organizations:



\*The information for the firms above was pulled from the Federal Audit Clearinghouse for audits with fiscal year ends between January 1, 2016 – December 31, 2016.

In the current environment of increased oversight, it is more important than ever to find qualified auditors who have significant experience with federal grants specific to the City and can enhance the quality of the City's single audit. Therefore, the single audit will be performed by a team of individuals who are managed by personnel who specialize in single audits in accordance with OMB's *Uniform Guidance* (formerly OMB Circular A-133) and who will offer both knowledge and quality for the City. As part of our quality control process, the single audit will be reviewed by a firm Designated Single Audit Reviewer.

The AICPA clarified auditing standard, AU-C 801 "Compliance Audits" requires risk-based concepts to be used in all compliance audits including those performed in accordance with OMB *UG*. Our risk-based approach incorporates this guidance.

***The City needs an audit firm experienced in performing single audits and a familiarity with the specific programs in which you are involved. You will benefit from CLA's experience in this area!***

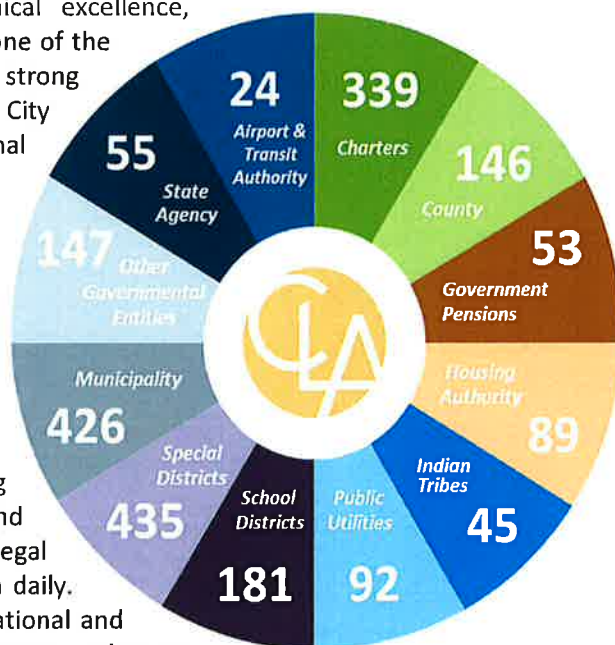


## Governmental Experience

CLA offers the credibility, reputation, and resources of a leading professional services firm — without sacrificing the small-firm touch. We bring unsurpassed levels of technical excellence, commitment, and dedication to our clients, which have made us one of the most successful CPA firms serving governmental entities. Our strong reputation for serving state and local government units provides the City the confidence in their decision to select CLA as their professional service provider.

CLA has one of the largest governmental audit and consulting practices in the country, serving more than 2,100 governmental clients nationwide. Public sector clients represent approximately one-quarter of all firm-wide revenue, and each of the government services team members are thoroughly versed in the issues critical to complex governmental entities.

Our professionals have deep, technical experience in serving governmental entities. As a CPA firm experienced in serving state and local units of government, we are very aware of the financial and legal compliance requirements that government officials are faced with daily. This creates complexities and service issues within a unique operational and regulatory environment. Because of our experience, we have become adept at providing our clients with insights in this environment not typical of other CPA firms.



*Our continuous growth in working with the government sector has come about because we continually provide assistance to our clients in meeting their objectives.*

*We have been constructive and supportive with as little interruption to their activities as is possible. We have pointed out inefficiencies, poor accounting practices, and in some instances, suspected fraud.*

## 5. LEGAL HISTORY

From time to time, the firm is a defendant in lawsuits involving alleged professional malpractice. In all cases, the firm believes that it has a strong position and intends to defend itself vigorously. Should the ultimate outcome be unfavorable, however, net of the deductible provisions of the firm's malpractice insurance, all cases are expected to be fully covered by insurance and will not have a material impact on the firm or its ability to perform these services.

Moreover, in those cases where claims have been resolved by settlement (the vast majority of our cases), the firm is typically subject to confidentiality agreements that prohibit the disclosure of information regarding those matters. Disclosure by the firm of any details about those matters could invalidate the settlement agreements.



## 6. PRIOR RELATIONSHIPS WITH THE CITY

CLA has provided consulting services for the City during fiscal year 2018, specifically a forensic assessment of transactions occurring from fiscal year 2009 through fiscal year 2016. These services were provided through a combination of data analytics techniques and interviews with City current and former employees and other relevant stakeholders. Aside from these services, we have no other engagements with the City. We also have no personal, business, investment, or family relationships with the City, City officials, or appointed employees.

## 7. CURRENT MUNICIPAL AUDIT ENGAGEMENTS

The below table provides relevant auditing, outsourcing, and consulting projects that our municipal Florida local government services team members have successfully worked on for Florida government entities within the last 5 years.

Florida Municipalities	
City of Arcadia	City of New Port Richey
City of Avon Park	Town of Redington Beach
City of Brooksville	City of Sanibel
City of Cape Coral	City of Safety Harbor
City of Clearwater	City of Tarpon Springs
City of Dunedin	City of Largo
City of Fort Myers	City of Temple Terrace
City of Moore Haven	City of Madeira Beach
City of St. Petersburg	City of Tampa
Town of Fort Myers Beach	City of Winter Haven

## References

We recognize that quality of service, relevant experience, and depth of resources will be key factors as you prepare to select a firm to serve your audit needs. We encourage you to contact our references for a first-hand account of our ability to meet contract objectives, adhere to deliverable schedules, and provide added value. We are confident that our references will attest to the competence, professionalism, and client service provided by CLA. We are pleased to provide you with the following references, who can describe their experience in greater detail:

City of Winter Haven, FL	
Client Contact	Calvin Bowen, Finance Services Director
Address	451 Third Street NW, Winter Haven, FL
Phone Number	863-291-5667
Email Address	<a href="mailto:cbowen@mywinterhaven.com">cbowen@mywinterhaven.com</a>





#### City of New Port Richey, FL

**Client Contact** Crystal Feast, Finance Director  
**Address** 5919 Main Street, New Port Richey, FL 34652  
**Phone Number** 727-853-1053  
**Email Address** [feastc@cityofnewportriches.com](mailto:feastc@cityofnewportriches.com)

#### City of Brooksville, FL

**Client Contact** Jim Delach, Finance Director  
**Address** 201 Howell Avenue, Brooksville, FL 34601  
**Phone Number** 352-540-3810  
**Email Address** [jdelach@cityofbrooksville.us](mailto:jdelach@cityofbrooksville.us)

#### City of Safety Harbor, FL

**Client Contact** June Solanes, Finance Director  
**Address** 750 Main Street, Safety Harbor, FL 34695  
**Phone Number** 727-724-1555 ext. 1222  
**Email Address** [jsolanes@cityofsafefharbor.com](mailto:jsolanes@cityofsafefharbor.com)

#### Town of Redington Beach, FL

**Client Contact** Missy Clarke, Town Clerk  
**Address** 105 164th Avenue, Redington Beach, FL 33708  
**Phone Number** 727-391-3875  
**Email Address** [townclerk@townofredingtonbeach.com](mailto:townclerk@townofredingtonbeach.com)

## 8. NOT USED



## 9. PROPOSED ENGAGEMENT TEAM

An experienced engagement team has been aligned to provide you with the most value for your organization. The team members have performed numerous engagements of this nature and will commit the resources necessary to provide top quality service throughout the engagement. Following are our proposed management team members:

Engagement Team Member	Role and Responsibility**
Andrew Laflin, CPA*	<b>Engagement Principal</b> – Andrew Laflin will have overall engagement responsibility including planning the engagement, developing the audit approach, supervising staff, and maintaining client contact throughout the engagement and throughout the year. Andrew is responsible for total client satisfaction through the deployment of all required resources and continuous communication with management and the engagement team.
Sarah Timmons, CPA	<b>Engagement Manager</b> – Sarah Timmons will act as the lead manager on the engagement. In this role, Sarah will assist the engagement principal with planning the engagement and performing complex review areas. She will perform a technical review of all work performed and is responsible for the review of comprehensive annual financial report and all related reports.
Andrew (Andy) Osborn, CPA	<b>Senior Associate</b> – Andy Osborn will be responsible for the day to day activities for this engagement, including the supervision of all staff assigned.

**Additional Staff** - We will assign additional staff to your engagement based on your needs and their experience providing services to state and local governments. Ideally, the staff assigned to your team will be from our Florida offices with state and local government as their industry focus at CLA.

*The most important resource any business has is people — the right people.*

**\*Andrew Laflin will serve as the audit team leader on this engagement.**

**\*\*Detailed biographies including professional experience are available on the following pages.**



## Andrew P. Laflin, CPA

### CliftonLarsonAllen LLP

Engagement Principal



CliftonLarsonAllen



#### Profile

Andrew is a principal within CLA's state and local government practice in the State of Florida. Andrew has been with CLA (formerly LarsonAllen prior to January 1, 2012) since 2008. He has been practicing in the public sector for 9 years and has 14 years of auditing experience. Andrew is a member of AICPA and FICPA and is a licensed CPA in the State of Florida.

#### Technical Experience

Andrew's practice is entirely devoted to serving Florida local governments, including counties, cities, transportation authorities, and numerous other special districts. He is a frequent speaker at various local and state-wide conferences throughout Florida, primarily affiliated with the Florida Institute of Certified Public Accountants (FICPA) and Florida Government Finance Officers Association (FGFOA). He also has approximately 5 years of teaching experience as an adjunct professor in the fields of financial and cost accounting at the University of Tampa and Hillsborough Community College in Tampa, Florida. During his career he has provided audit and accounting services to:

City of Cape Coral  
City of Dunedin  
City of Largo  
City of Safety Harbor  
City of Tampa  
City of Temple Terrace  
Belmont Community Development District  
Clearwater Downtown Development Board  
Collier County  
Hillsborough County Aviation Authority  
Hillsborough Transit Authority (HART)  
Lake St. Charles Community Dev. District

Lee County Metropolitan Planning Org.  
Manatee County  
Pasco County  
Pinellas County Construction Licensing Board  
Pinellas County Metropolitan Planning Org.  
Pinellas County Planning Council  
Pinellas Suncoast Transit Authority\* Clearwater  
Sarasota County  
TB Advanced Manufacturing Skills Initiative  
Tampa Bay Area Regional Transportation Auth.  
Town of Redington Beach

#### Education/Professional Involvement

- Bachelor of arts in accounting from the University of Notre Dame
- Master of accountancy from the University of South Florida
- Certified Public Accountant in the State of Florida since 2/23/2005
- American Institute of Certified Public Accountants (AICPA), Member
- Florida Institute of Certified Public Accountants (FICPA), Member
- Government Finance Officers Association (GFOA), Member
- Florida Government Finance Officers Association (FGFOA), Member
- Adjunct professor in Financial Accounting and Cost/Managerial Accounting at the University of Tampa and Hillsborough Community College



## Sarah L. Timmons, CPA

**CliftonLarsonAllen LLP**

Manager



### **Profile**

Sarah is a senior with CLA's State and Local Government Group. She has 5 years of accounting and auditing experience.

### **Technical Experience**

Sarah's experience is very heavily concentrated on providing service to governmental clients. She also has experience providing services for nonprofits. Many of the government and nonprofit entities she serves require federal and state single audits. Her experience includes:



City of Avon Park

City of Davenport

Collier County Clerk

Glades County Clerk

Hardee County Clerk and Board

Hardee County School Board Internal Funds

Hendry County School Board Internal Funds

Highlands County

Highlands County Habitat for Humanity

Okeechobee County

Polk County Clerk

Champion for Children Foundation

Heartland Library Cooperative

Nu-Hope Elder Care Services, Inc.

Hardee County Education Foundation

Sebring Airport Authority

### **Education/Professional Involvement**

- Bachelor of Science in accounting from Florida Gulf Coast University, Fort Myers, Florida
- Master of Accounting from The Florida State University, Tallahassee, Florida
- Certified Public Accountant in the state of Florida
- American Institute of Certified Public Accountants (AICPA)
- Florida Institute of Certified Public Accountants (FICPA)





## Andrew Osborn, CPA, MBA

**CliftonLarsonAllen LLP**

Senior Associate



### **Profile**

Andy is a senior audit associate in CLA's State and Local Government Group. Andy has approximately four years of accounting and auditing experience. Andy attends training related to governmental topics to stay current on regulatory updates and changes. Andy is in full compliance with continuing education requirements.



### **Technical Experience**

Andy's experience is mostly concentrated on providing service to governmental entities—specifically housing authorities and Florida Constitutional Officers and Board of County Commissioners. Andy has overseen and/or worked on engagements listed below:

City of Avon Park	Polk County Supervisor of Elections
City of Brooksville	Highlands County Board of County Commissioners
Polk County Board of County Commissioners	Highlands County Clerk
Polk County Property Appraiser	Okeechobee County Board of County Commissioners
Polk County Sheriff	Okeechobee County Clerk
Polk County Clerk	

### **Education/Professional Development**

- Bachelor of Science Degree in Accounting in 2012
- Master of Business Administration in 2014 from Southeastern University in Lakeland, Florida.
- Certified Public Accountant
- American Institute of Certified Public Accountants
- Florida Institute of Public Accountants
- Adjunct Professor at Southeastern University



## 10. PROPOSED WORK SCHEDULE AND WORK PLAN

### Work Schedule

Our project management methodology results in a client service plan that provides for regular, formal communication with the entire management team and allows us to be responsive to your needs. The schedule allows for input from your personnel to make certain that the services are completed based on your requirements. The plan may also be amended during the year based on input from the City Council.

Please see the below chart for the estimated time frame for the September 30 fiscal year-end audit relating to each segment of this engagement:

Annual Audit Task	Sep	Oct	Nov	Dec	Jan
Entrance Conference					
Interim Audit Work					
Audit Fieldwork					
Draft Reports					
Exit Conference with Management					
Presentation to City Council					

### Work Plan – Financial Statement Audit

Our audit teams are able to customize our audit programs to address the specific risks and unique characteristics of your operation. We do not perform the exact same procedures for every client. In addition, our audit programs are interactive, providing guidance to the staff while they are performing the audit procedures.

Our audit approach for year one and subsequent years will have certain consistent elements. However, we expect that the subsequent years will result in fewer audit hours based on the efficiencies gained as we become more familiar with your operations. Our audit objective extends beyond the issuing of an opinion on financial statements. We believe that a good audit yields substantial information for management, and is a valuable tool in recognizing opportunities and identifying areas that can be strengthened. An effective audit performed by our team will also provide:

- An objective look at your policies and procedures
- Valuable suggestions for improvements in your financial operations and other areas
- An analysis of trends and unusual variations from year-to-year
- Protection for current and future resources through improved internal controls
- A deterrent to embezzlement and other fraudulent activities

#### Benefits of CLA's Risk-Based Approach

Our audit services are designed to protect the interests of the members, governance, and management by concentrating on high-risk areas. Risk identification is the first step of the audit process, providing the basis upon which the overall plan is developed. Our risk assessment process involves consideration of the following types of risk:

- Inherent risk - that an error in the accounting and reporting process may occur
- Control risk - that internal control systems designed to prevent/detect errors may fail
- Audit detection risk - the risk that audit procedures may fail to detect errors



## Financial Statement Audit Approach

***Being cognizant of the City's 30-page limit for this proposal, a detailed audit work plan (approximately 10 pages long) is available upon request.***

We will conduct our financial statement audit in four primary phases, as shown in *Figure 1*, below. Please note this is an abbreviated approach. Our detailed approach can be provided upon request.

### PHASE 1

*Planning & Strategy*

- The main objective of the planning phase is to identify significant areas and design efficient audit procedures. We will develop our audit programs during this phase. Utilizing the information we have gathered and the risks identified we will produce an audit program specifically tailored to the City. This program will detail by major section the nature and types of tests to be performed. We view our programs as living documents, subject to change as conditions warrant.

### PHASE 2

*Systems Evaluation*

- During the systems evaluation phase, we will gain an understanding of the internal control structure of the City for financial accounting and relevant operations. Next, we will identify control objectives for each type of control that is material to the financial statements, and then identify and gain an understanding of the relevant control policies and procedures that effectively achieve the control objectives. Finally, we will determine the nature, timing, and extent of our control testing and perform tests of controls.

### PHASE 3

*Testing & Analysis*

- The extent of our substantive testing will be based on results of our internal control tests. Audit sampling will be used only in those situations where it is the most effective method of testing. After identifying individually significant or unusual items, we will decide on the audit approach for the remaining balance of items by considering tolerable error and audit risk. Our workpapers during this phase will clearly document our work as outlined in our audit programs. We will also provide the City with status reports during the course of the audit fieldwork.

### PHASE 4

*Reporting & Follow-Up*

- Once the final reviews of working papers and financial statements are completed, which is a process that actually starts while the fieldwork is in process, our opinion, the financial statements and management letter will be issued



## Work Plan –Single Audit

Should a federal or state single audit be required, we will conduct our single audit in three primary phases, as shown in *Figure 2*, below. Please note this is an abbreviated approach. Our detailed approach can be provided upon request.

### PHASE 1

*Risk  
Assessment &  
Planning*

- The risk assessment and planning phase will encompass the overall planning stage of the single audit engagement. During this phase, we will work closely with the City's management to determine that programs and all clusters of programs are properly identified and risk-rated for determination of the major programs for testing. We will also review the forms and programs utilized in the prior year to determine the extent of any changes which are required.

### PHASE 2

*Major Program  
Testing*

- We will determine the programs to be audited based on the risk assessment performed in the planning phase. We will perform the audit of the programs in accordance with *Uniform Guidance*.

### PHASE 3

*Final  
Assessment &  
Reporting*

- We will re-perform the steps in the preliminary assessment and planning stage once the final Schedule of Expenditures of Federal Awards is received to determine if additional major programs were identified.

## Data Analytics

In addition to standard auditing methodology, a distinguishing aspect of CLA's audit services incorporates the power of data analytics to multiply the value of the analyses and the results we produce for clients. CLA's data methodology is a six-phase, systematic approach to examining an organization's known risks and identifying unknown risks. Successful data analysis is a dynamic process that continuously evolves throughout the duration of an engagement and requires collaboration of the engagement team.

Data analytics are utilized throughout our audit process, our *Risk Assessment, Data Analytics and Review (RADAR)* is a specific application of general ledger data analytics that has been implemented on all audit engagements. RADAR is an innovative approach created and used only by CLA that aims to improve and replace traditional preliminary analytics that were being performed.





## 11. SAMPLE MANAGEMENT LETTER



CliftonLarsonAllen

CliftonLarsonAllen LLP  
CLAAconnect.com

### MANAGEMENT LETTER

Honorable Mayor and  
Members of the City Commission  
City of Safety Harbor, Florida

#### Report on the Financial Statements

We have audited the financial statements of the City of Safety Harbor, Florida (the City), as of and for the fiscal year ended September 30, 2017, and have issued our report thereon dated May 2, 2018.

#### Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

#### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated May 2, 2018, should be considered in conjunction with this management letter.

#### Prior Audit Findings

Section 10.554(1)(f)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. There were no findings and recommendations made in the preceding financial audit report.

#### Official Title and Legal Authority

Section 10.554(1)(f)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The City discloses this information in the notes to the financial statements.

#### Financial Condition and Management

Sections 10.554(1)(f)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.



Honorable Mayor and  
Members of the City Commission  
City of Safety Harbor Florida

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

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. See Appendix A.

#### **Annual Financial Report**

Section 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the annual financial report for the City for the fiscal year ended September 30, 2017, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2017. In connection with our audit, we determined that these two reports were in agreement.

#### **Special District Component Units**

Section 10.554(1)(i)5.d., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. The City does not have any special district component units.

#### **Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

#### **Purpose of this letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the City Commission, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Tampa, Florida  
May 2, 2018



## 12. PROVIDING CONSTRUCTIVE SUGGESTIONS

During the planning and internal control phases of our audit, we will develop our understanding of the City business operations and internal control structure for financial accounting and relevant operations through observation, discussion, and inquiries with management and appropriate personnel. During this phase of the audit, we will review budgets and related materials, organization charts, accounting and purchase manuals, and other systems documentation that may be available. We will also leverage the understanding of internal controls we have already gained through the work performed on our forensic assessment project previously described in Section 6.

Once we understand your operations, we will then identify control objectives for each type of control that is material to the financial statements. The next step will be to identify and gain an understanding of the relevant control policies and procedures that effectively achieve the control objectives. We will then determine the nature, timing and extent of our control testing, and perform tests of controls.

As a result of our internal control testing, we may identify opportunities to enhance the City's internal controls or possibly gain operational efficiencies. We will have proactive discussions with management to review our observations and potential recommendations. Our team uses a variety of audit and evaluation techniques to measure effectiveness of operational and financial processes, assess compliance with regulations, and evaluate the efficiency with which resources are used. Besides performing a required compliance function, our goal is to help the City improve. We view our auditing services as an opportunity to provide management with tools to continue exploring areas where quality, efficiency, and effectiveness can be improved.

## 13. ASSISTANCE FROM CITY PERSONNEL

We request that the City provide access to all records required for the audits and other requirements of the contract. In addition, we request that you assign a "project coordinator" through whom we will communicate and coordinate activities. We do not foresee needing the City's staff other than during normal business hours.

To assist in this process, we will provide a detailed Prepared by Client list early in the engagement. We will ask that your accounting staff provide us with standard schedules, as well as additional requested supporting items. We anticipate that your accounting personnel will need to locate and submit to us certain invoices, vouchers, cancelled checks, and other documents and records. We are extremely flexible as to the format in which we receive this information and will determine through the use of the latest technology that your personnel will not be asked to perform any unnecessary or extensively disruptive tasks.

We will depend on your staff to provide us with as much information as possible, in an effort to limit everyone's time on the engagement and, ultimately, to save your organization money.

## 14. CERTIFICATE OF ACHIEVEMENT ASSISTANCE

The Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting is awarded to state and local governments that go beyond the minimum requirements of generally accepted accounting principles. It is awarded to state and local governments who produce a comprehensive annual financial report that evidences the spirit of transparency and full disclosure. Members of the GFOA staff and the GFOA Special Review Committee (SRC) review reports submitted to the CAFR program.



CLA provides audit services to many entities that received the GFOA Certificate of Excellence in Financial Report. All of the procedures noted in our audit approach and our technical review of the CAFR are done to help the City prepare and publish the top product possible. Our managers and principals who review the CAFR have a strong understanding of the GFOA requirement for the certificate. We understand that this is a prestigious award for the City and a great accomplishment for the Finance and Accounting departments.

We will review the GFOA comment letter for each CAFR and provide the City advice regarding the response to the GFOA reviewer's comments. Our procedures with respect to the CAFR will be the review of the comments from GFOA on the prior year submission to determine they were adequately addressed, completion of the CAFR checklist, and review of the transmittal letter and statistical data to determine that information presented is reasonable and agrees with the information in the financial statements and management's discussion and analysis (MD&A), where applicable.

We understand the interrelationships of the many and varied components of a governmental entity's financial statements, allowing us to quickly determine errors or problems with the financial statements. Our depth of knowledge and experience also allows us to assist the City with the preparation of the CAFR and improvement of the City's financial statements.

Our involvement with clients in the GFOA Certificate program helps to determine that we are on the leading edge of reporting trends and techniques. We have been engaged by various entities to review their statements for compliance with program requirements. We have aided clients in the early implementation of professional pronouncements and regularly provide our clients with updates on new pronouncements which will affect them and will do the same for the City.

## 15. ADDITIONAL INFORMATION

### Why Should City of Belle Isle Choose CLA?

At CLA, we develop sincere relationships with our clients; expressing our genuine interest in their respective industries; investing heavily in our personnel resources. Through this approach, we have grown to become one of the leading professional services firms in the nation. We have strong leadership and talent, commitment, and enthusiasm to provide our governmental clients excellent service in a cost-effective manner. We commit to providing you a high level of personalized, responsive service. Communication is as important to us as it is to you.

*Any CPA firm can provide audit and accounting services, but few specialize in the area of accounting and auditing for local government entities like we do.*





## Additional Services

In addition to the services outlined in the Scope of Services for this proposal, CLA collectively offers a wide breadth of highly-customized services and capabilities to meet our clients' wants and needs, including a sampling of the following:

- ❖ Financial statement and forensic audits
- ❖ Internal audit, risk assessments, and evaluations
- ❖ Implementation assistance for complex accounting standards
- ❖ ACA Reporting
- ❖ Operational and financial systems consulting
- ❖ Operations and performance improvement
- ❖ Self-insured medical and PBM claim audits
- ❖ IT security and network vulnerability assessments
- ❖ Fraud risk assessment and investigations
- ❖ Strategic, financial, and operational consulting
- ❖ Outsourced accounting and public administration
- ❖ Strategic, business, and capital planning
- ❖ Organizational and financial health assessment
- ❖ Training and educational seminars
- ❖ Telecom cost savings assessments

We pride ourselves on taking the initiative to meet each and every need of our clients, and therefore are always prepared to take on additional projects. However, independence is our first concern when providing additional services. Independence can easily become impaired when providing consulting services; therefore, we do not provide any services to our audit clients beyond those allowed.

If additional work is requested by the City outside of the scope of the audit, we will discuss with you our proposed fee for additional services prior to beginning the new services.

## Single Audit Resource Center (SARC) Award

CLA received the [Single Audit Resource Center \(SARC\) Award](#) for Excellence in Knowledge, Value, and Overall Client Satisfaction. SARC's award recognizes audit firms that provide an outstanding service to their clients based on feedback received from an independent survey in June 2018.



The survey queried 10,762 nonprofit and government entities about the knowledge of their auditors, the value of their service, and overall satisfaction with their 2017 fiscal year-end audit. The SARC award demonstrates CLA's dedication to serving the government and nonprofit industry and maintaining the most stringent regulatory requirements in those sectors.



## 16. ESTIMATED PROJECT COST

Our fees are based on the timely delivery of services provided, the experience of personnel assigned to the engagement, and our commitment to meeting your deadlines. The fee estimate below does not include the impact of a potential single audit.

CLA understands the importance of providing our clients with value-added approaches. We propose to provide routine, proactive meetings — as part of our fee — that will allow us to review and discuss with you the impact of new accounting issues, as well as any other business issues you are facing and how they should be handled. This level and frequency of interaction will no doubt enable CLA to help you tackle challenges as they come up, and take full advantage of every opportunity that presents itself.

Professional Services	2018	2019	2020
Financial Statement Audit Cost	\$22,000	\$22,500	\$23,000
Estimated Number of Hours	200	200	200

## 17. FEES FOR ADDITIONAL SERVICES

For any additional work, it is our practice to bill for actual hours incurred at an hourly rate applicable to the professional completing the project at hand. If additional work is requested by the City outside of the scope of the audit, we will discuss with you our proposed fee for additional services before we begin the project. Any such additional work agreed to between the City and CLA shall be performed at the below rates:

Hourly Rate		
Staff Level	Hourly Rate	Discounted Hourly Rate*
Principal	\$315	\$225
Manager	\$265	\$185
Senior Associate	\$170	\$110
Associate	\$120	\$90

*\*We have included discount rates to our standard professional hourly rates to demonstrate our commitment to a long-term relationship with the City.*

## 18 – 21. REQUIRED FORMS

The required forms including: *Acknowledgement*, *Hold Harmless Agreement*, *Non-Collusion Affidavit*, and *Drug Free Workplace Form*, are provided on the following pages.



## RFP #2018-20 AUDIT SERVICES

**RESPONSE TO:**

**RFP 2018-20 AUDIT SERVICES**

**City of Belle Isle**

**ATTN: Bob Francis, City Manager**

**1600 Nela Avenue, Belle Isle, FL 32809**

I acknowledge receipt of any/all Addenda: AL LH

I have included:

- Hold Harmless Agreement
- Certificate of Insurance
- Non Collusion Affidavit
- Drug Free Workplace Form

Mailing Address:

420 S. Orange Avenue.

TELEPHONE: 407-802-1200

Suite 500

FAX: 407-802-1250

Orlando, FL 32801

DATE August 30, 2018

BY signing and submitting this proposal, I am certifying that (a) I am authorized to submit the proposal and execute the personal services agreement; (b) I am a citizen of the United States; (c) I am not a member or an employee of any taxing authority; and (d) I do not represent any property owner in an administrative or judicial review of property tax issues.

AL LH  
Signature of Respondent

Gregory Kowowski  
Witness

STATE OF FLORIDA  
COUNTY OF Hillsborough

Sworn to (or affirmed) and subscribed before me 30 day of August, 2018, by (name of person this making statement).

Bridget Leon  
Notary Public

My Commission Expires 9/4/2021



## RFP #2018-20 AUDIT SERVICES

### HOLD HARMLESS AGREEMENT

I, Andrew Larson (Respondent) agrees to indemnify and hold the City harmless for any and all claims, liability, losses and causes of action which may arise out of its fulfillment of the contract awarded pursuant to this RFP. It agrees to pay all claims and losses, including related court costs and reasonable attorneys' fees, and shall defend all suits filed due to the negligent acts, error or omissions of Respondent or employees and/or agents of Respondent.

In the event the completion of a project awarded pursuant to this RFP (to include the work of others) is delayed or suspended as a result of the Respondent's failure to purchase or maintain the required insurance, the Respondent shall indemnify the City from any and all increased expenses resulting from such delay.

Andrew Larson

Signature of Respondent

Andrew Karwowski

Witness

STATE OF FLORIDA  
COUNTY OF Hillsborough

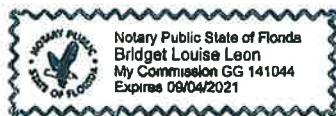
Sworn to (or affirmed) and subscribed before me 30 day of August 2018, by (name of person this making statement).

Bridget Leon

Notary Public

My Commission Expires 9/4/2021

CliftonLarsonAllen LLP carries commercially reasonable amounts of malpractice insurance. If requested, the firm will provide a certificate of coverage for an amount specified by the City of Belle Isle upon being engaged.





## RFP #2018-20 AUDIT SERVICES

### NON-COLLUSION AFFIDAVIT

I Andrew LaFin (Respondent) of the firm of CliftonLarsonAllen (Respondent Firm Name) responded to the notice calling for proposals for Audit Services for the City of Belle Isle. This proposal has been executed with full authority to do so. This response has been arrived at independently without collusion, consultation, communication or agreement for the purposes of restricting competition, as to any matter relating to qualifications or responses of any other responder or with any competitor, and no attempt has been made or will be made by the Responder to induce any other person, partnership or corporation to submit, or not to submit, a response for the purpose of restricting competition.

The Statements contained within this affidavit are true and correct, and made with full knowledge that the City of Belle Isle relies upon the truth of the statements contained in this affidavit in awarding contracts for said services.

  
Signature of Respondent

  
Witness

STATE OF FLORIDA  
COUNTY OF Hillsborough

Sworn to (or affirmed) and subscribed before me 30 day of August, 2018, by (name of person this making statement).

  
Notary Public

My Commission Expires 9/4/2021



## RFQ #2018-20 AUDIT SERVICES

### DRUG FREE WORKPLACE CERTIFICATION

In order to have a drug-free workplace program, a business shall:

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 an employee 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, available drug counseling, rehabilitation, and employee assistance programs, and the penalties that may be imposed upon employees from drug abuse violations.
3. Give each employee engaged in providing the commodities or contractual services that are under this solicitation a copy of the statement specified in subsection (1) above.
4. In the statement specified in subsection (1), notify the employees that, as a condition of working in the commodities or contractual services that are under this solicitation, the employee will abide by the terms of the statement and will notify the employee 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 work place 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.



Signature of Respondent



Witness



## APPENDIX A: SINGLE AUDIT REPORT



CliftonLarsonAllen LLP  
CLAAconnect.com

### INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Board of Directors  
Pinellas Suncoast Transit Authority  
Clearwater, Florida

#### Report on Compliance for Each Major Federal Program and State Project

We have audited Pinellas Suncoast Transit Authority or PSTA (the "Authority"), compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements described in the Florida Department of Financial Services *State Projects Compliance Supplement*, that could have a direct and material effect on each of the County's major federal programs and state projects for the year ended September 30, 2017. The Authority's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

#### Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal programs and state projects.

#### Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, Rules of the Auditor General for Local Governmental Entity Audits. Those standards, the Uniform Guidance and Chapter 10.550 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state project. However, our audit does not provide a legal determination of the Authority's compliance.



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Board of Directors  
Pinellas Suncoast Transit Authority

***Opinion on Each Major Federal Program and State Project***

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2017.

**Report on Internal Control Over Compliance**

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program or state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550 but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the result of that testing based on the requirements of the Uniform Guidance and Chapter 10.550. Accordingly, this report is not suitable for any other purpose.

*CliftonLarsonAllen LLP*

CliftonLarsonAllen LLP

Tampa, Florida  
March 21, 2018





**PINELLAS SUNCOAST TRANSIT AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SEPTEMBER 30, 2017**

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**Section I – Summary of Auditors' Results**

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**Financial Statements**

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiencies identified not considered to be a material weakness(es) None reported

Noncompliance material to financial statements noted? No

**Federal Awards**

Internal control over compliance:

Material weakness identified? No

Were significant deficiency(ies) identified not considered to be a material weakness(es) None reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) No

**Identification of major federal programs:**

CFDA Number	Name of Federal Program or Cluster
20.500/20.507/20.525/20.526	Federal Transit Cluster

Dollar threshold used to determine Type A Federal programs \$750,000

Auditee qualified as low-risk auditee? Yes





**PINELLAS SUNCOAST TRANSIT AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
SEPTEMBER 30, 2017**

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***Section I – Summary of Auditors' Results (Continued)***

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***State Financial Assistance***

Internal control over compliance:

Material weakness(es) identified?

No

Were significant deficiency(ies) identified not  
considered to be a material weakness(es)?

None reported

Type of auditors' report issued on compliance for major  
programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance  
with state requirements?

No

Identification of major state projects:

CSFA Number

Name of State Project

55.010

Public Transit Block Grant Program

Dollar threshold used to determine Type A State Projects

\$300,000

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***Section II – Financial Statement Findings***

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This section identifies the matters required to be reported in accordance with *Government Auditing Standards*.

None

**PINELLAS SUNCOAST TRANSIT AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
SEPTEMBER 30, 2017**

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***Section III – Findings and Questioned Costs – Major Federal Programs***

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This section identifies the audit findings required to be reported by 2 CFR 200.516(a) as well as any abuse findings involving federal awards that is material to a major program.

None

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***Section IV – Findings and Questioned Costs – Major State Programs***

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This section identifies the audit findings required to be reported under rule 10.554(1)(l)4, Rules of the Auditor General.

None

**Prior - Year Findings and Questioned Costs**

No prior year findings.

