

CRI

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professional services

PROPOSAL FOR

INDEPENDENT PROFESSIONAL AUDIT SERVICES
for the Brevard County Florida Housing Finance
Authority

October 15, 2018

PROPOSER

Carr, Riggs & Ingram, LLC
215 Baytree Dr; Melbourne, FL 32940
321.255.0088 and
50 Central Ave St.910; Sarasota, FL 34236
941.747.0500



CRI CARR
RIGGS &
INGRAM

CPAs and Advisors

CRIcpa.com

SUBMITTED BY

Deborah A. Goode, CPA
Relationship Partner
dgoode@cricpa.com

Timothy Gruters, CPA
Engagement Partner
tgruters@cricpa.com



Dear Angela A. Abbott, Esquire and Marianne Edmonds, Financial Advisor

Carr, Riggs & Ingram, LLC (CRI) appreciates the opportunity to propose on auditing services to the Brevard County Florida Housing Finance Authority (“the Authority”). We understand the scope of work will be for the period October 1, 2018 through September 30, 2020, with the option to renew for two additional on year periods. We are genuinely excited about the prospect of serving you and establishing a long-term relationship. We pride ourselves on getting to know our clients and illuminating solutions by providing innovative **IDEAS** to move them from compliance to providing them a competitive advantage.

I **nvestment in You.** We believe in developing long-term, mutually beneficial relationships and quickly demonstrating value with a fee structure and service solutions that provide immediate and continued savings. Our investment starts on “Day 1” as your assigned team begins with our proven, streamlined process that minimizes your time and disruption during the service provider change and continues throughout the relationship.

D **edicated Team.** CRI’s team consists of more than 1,800 professionals, which allows us to tailor your service team by aligning their industry, service, and specialty skills with your needs. Our dedicated teams deliver the highest level of business acumen and knowledge to your organization; our commitment to consistent staffing allows you to maximize savings and remain focused on your needs.

E **quilibrium.** CRI delivers big firm expertise with small firm service. Of approximately 45,000 public accounting firms in the United States, CRI currently ranks among the top 20. Leveraging these resources while maintaining local decision-making authority means that simplified solutions are only a phone call away. And we believe that’s the best of both worlds for our clients.

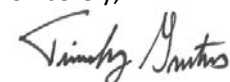
A **ctive Partner Participation.** Collectively, our partners deliver expertise derived from more than 7,500 years of business experience. With this level of talent, we thoughtfully choose a partner that aligns with your business’ needs and industry. Our hands-on, working partners “show up” to convey our genuine commitment to your success. They strive to earn trusted advisor roles by digging in, proactively learning your business, and producing long-term value for you.

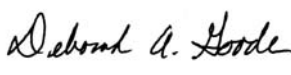
S **implified Solutions.** Our 500+ different cumulative partner certifications is an impressive statistic, success is measured by translating complex concepts into client solutions. While accounting is the language of business, we’re here to decipher the jargon and help you make educated decisions. CRInnovate embraces agility and invention. The **CRI vSTAR™ process**, our inaugural initiative delivering a virtual audit, is designed to provide you with maximized efficiencies, reduced workload, and an improved experience.



We welcome the opportunity to demonstrate to you the same teamwork, expertise, innovation, and responsiveness that have made us one of the fastest growing public accounting firms in the United States. Again, we appreciate your consideration and hope to earn your business.

Sincerely,


Timothy Gruters


Deborah A. Goode



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UNDERSTANDING & MEETING YOUR NEEDS



From the RFP, we understood your team to express the following needs, requests, and/or issues. We have detailed our proposed solutions below and are happy to discuss other related projects as they arise and upon request.

NEEDS & ISSUES	SOLUTIONS & SERVICES
<p>Management has requested the Independent Public Accountant to perform an audit of its future single family mortgage revenue bond programs and general purpose financial statements. This audit shall include the annual financial and compliance audits of future Brevard County Single Family Mortgage Revenue Bond programs on a series level for each program as described on Section B of the RFP.</p> <p>See Audit Approach Section below for more detail.</p>	<p>We will perform external audit services in accordance with all applicable general auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards and shall include the testing of the accounting records and such other audit procedures consider necessary to form an opinion on the financial statements under examination. We will submit the financial statements (Balance Sheet, Statement of Revenues, Expenditures and Changes in Fund Balance) and management letter within 120 days (January 31st) of the end of the bond year. The draft management letter will be submitted by December 31st. We will deliver 12 hard copies and one electronic copy of the auditor report, the financial statement and schedules, the management letter and the report on internal accounting control weaknesses. We will be available to attend up to two public meetings.</p>
<p>Identification of the person authorized to make representations for the firm, their title, addresses, and telephone numbers. See Tab 3</p>	<p>Authorized Representatives:</p> <p>Tim Gruters, CPA Engagement Partner 50 Central Avenue, Ste. 910 Sarasota, FL 34236 941.747.0500 Tgruters@cricpa.com</p> <p>Debbie Goode, CPA Relationship Partner 215 Baytree Dr. Melbourne, FL 32940 321.255.0088 Dgoode@cricpa.com</p>
<p>Identification of the primary contact and assigned personnel.</p>	<p>Tim Gruters is the individual responsible for the engagement. See “Solution Team” section for additional information.</p>
<p>Names and contact information for other, similar clients for reference purposes.</p>	<p>See “Relevant Experience” section.</p>
<p>Fee proposal for the 2018 audit.</p>	<p>We have provided information regarding fees for these services for each of the next three years in the “Your Services and Fees” section of this proposal.</p>





AUDIT METHODOLOGY

Our audit, tax, consulting, and client accounting services documentation is maintained electronically. Compliance with our methodology is regularly reviewed and evaluated as part of our internal quality program, which is further discussed in this section under [INTERNAL QUALITY CONTROL REVIEWS AND EXTERNAL REVIEWS](#). Comprehensive policies and procedures governing all of our practices and addressing professional and regulatory standards and implementation issues are constantly updated for new professional developments and emerging issues. See below for a more detailed description of the relevant approach and methodology.

ENGAGEMENT QUALITY REVIEW PARTNER (CONCURRING PARTNER)

Each audit has an assigned engagement quality review (EQR) partner with the appropriate experience. This role is one of the most important elements of our quality assurance process, as it provides for a timely, independent review of all key accounting and auditing issues. The EQR partner also reviews the financial statements and related supporting documentation—including the disclosures—to evaluate their fair presentation under accounting principles generally accepted in the United States of America (GAAP).

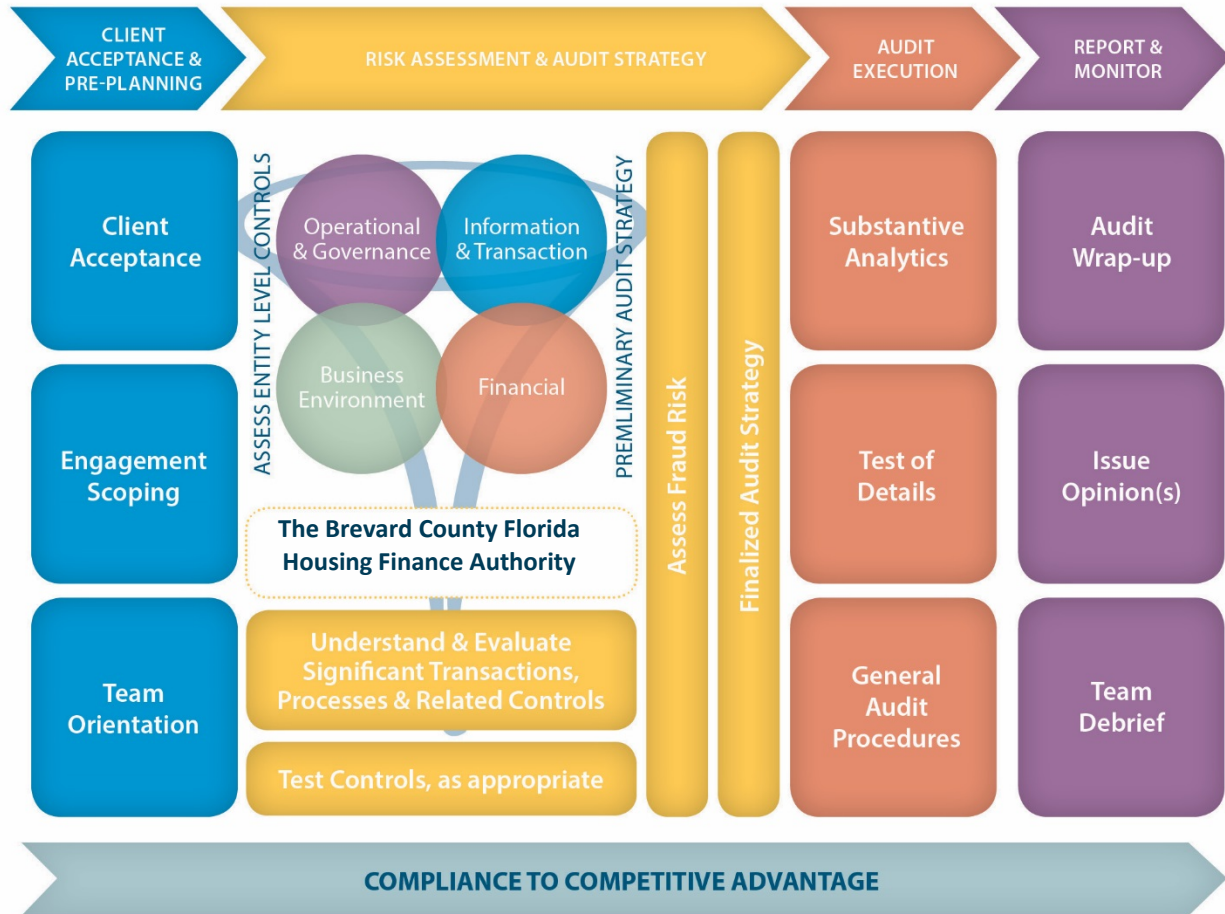
INTERNAL QUALITY CONTROL REVIEWS AND EXTERNAL REVIEWS

Experienced partners and professional staff of our firm conduct quality control reviews of our audits. Our partners' work is reviewed annually, and the inspection process includes periodic testing of the effectiveness of our quality controls and a continuous improvement program.

Peer reviews are performed every three years by another independent public accounting firm. The most recent review of our firm was performed in 2016 by EideBailly and is included in Appendix A.



Our audit approach is a four stage approach, as depicted in the summary below. Our client acceptance and risk assessment procedures (as noted on the previous page) occur during detailed conversations and observations with your team. The results of those procedures allow us to tailor an audit program to your specific risks and needs. We then execute the audit, report the results, and evaluate continuous improvement opportunities for ongoing service and benefit to you.





Stage 1: Client Acceptance & Pre-planning

- Perform client acceptance procedures where necessary.
- Collaborate with management to agree to expectations and scope.
- Assign appropriate staff to engagement based on client needs and assessed risk.

Stage 2: Risk Assessment & Audit Strategy

- Interview client personnel and others, as necessary to understand client-specific objectives and risks.
- Assess environmental and other external risks and potential impact on the audit planning.
- Assess entity level controls including: control environment, risk assessment, information & communication, and monitoring controls.
- Assess management's fraud and IT risk assessment models. Develop independent fraud and IT risk assessment.
- Assess IT General Computer (ITGC) controls, such as IT Environment, Developing & Delivering IT, and Operating IT & Monitoring IT.
- Assess materiality.
- Perform preliminary analytical procedures.
- Map financial statements to significant transactions, processes, IT systems and related controls.
- Develop understanding of significant processes and related controls.
- Determine existence of/reliance on SSAE 16 (formerly SAS 70(s)).
- Test controls including ITGC, as and if deemed appropriate. Tests will include a mix of:
 - inquiry,
 - observation,
 - examination and
 - re-performance.
- Determine reliance on Internal Audit, if applicable (e.g. controls or detailed tests).
- Determine reliance on specialist(s), if applicable (e.g. valuations, pension costs, etc.).
- Finalize risk assessments and develop final audit strategy.

Stage 3: Audit Execution

- Where possible, develop detailed analytical procedures to use as substantive tests to reduce tests of details. Examples include:
 - ratio analysis,
 - regression analysis,
 - trend analysis,
 - predictive tests or
 - reasonableness tests.
- Where possible utilize Computer-Assisted Audit Techniques (CAATs), such as IDEA or ACL to automate testing for more coverage and less disruption to the client.
- Where possible, perform targeted testing (also known as "coverage" testing) of account balances to tests large portions of account balances.
- Perform tests of details, including sampling, if applicable or necessary.
- Perform general audit procedures, as and if applicable, such as tests related to:
 - commitments and contingencies,
 - legal letters,
 - management representations,
 - reviews of Board minutes,
 - related party transactions,
 - debt covenants and
 - going concern.
- Perform other tests for compliance such as Yellow Book or Single Audit Tests.

Stage 4: Report & Monitor

- Continually monitor the audit and provide feedback as agreed during scoping or more frequently, as deemed appropriate.
- Conclude the audit (i.e. issue opinions and/or reports).
- Develop and present required communications, including management letter comments.
- Perform an internal team de-briefing to identify areas for improvement.
- Welcome the opportunity for an external de-briefing with our clients to improve.



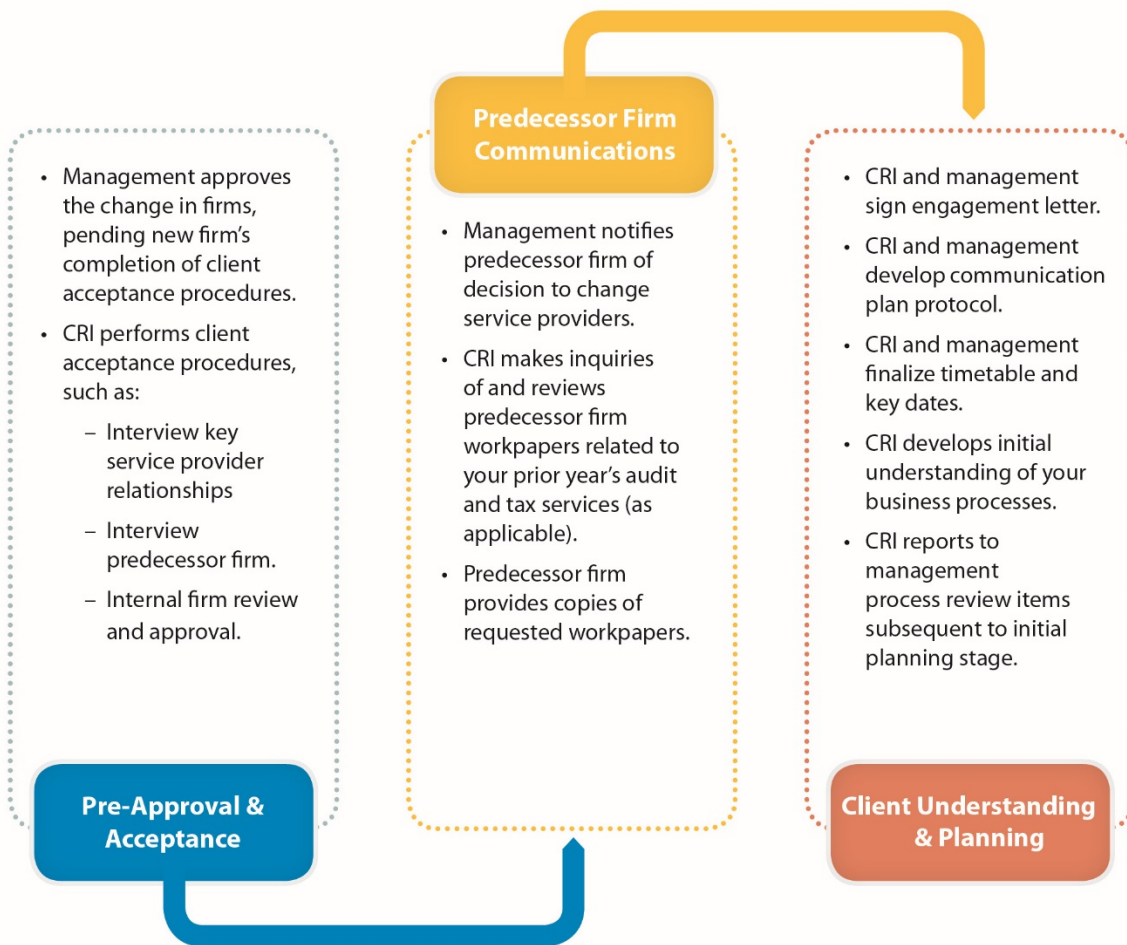
When choosing to change firms, the time involved in working with new accounting professionals is often a concern. CRI's well-defined efficient, seamless transition process is designed to:

- Provide you with value from the very first encounter,
- Avoid interruption of service,
- Minimize disruption and investment of management's time,
- Raise the standard of service, and
- Establish ongoing channels of communication with the Authority's management.

The transition plan is comprised of the following key activities and can occur within approximately two weeks, depending on the availability of the parties involved:

"As a CPA and former auditor myself, I know that changing auditors can often be difficult and time consuming due to learning curves and new processes. Fortunately, I quickly found that CRI's partners and staff make the transition simple and relatively painless. The significant involvement of the firm's partners is one of the main reasons for this result. CRI's partners are responsive to our needs and professionally handle the entire engagement from beginning to end."

*Ed Oliphant, Chief Financial Officer
Regional Transportation Authority*



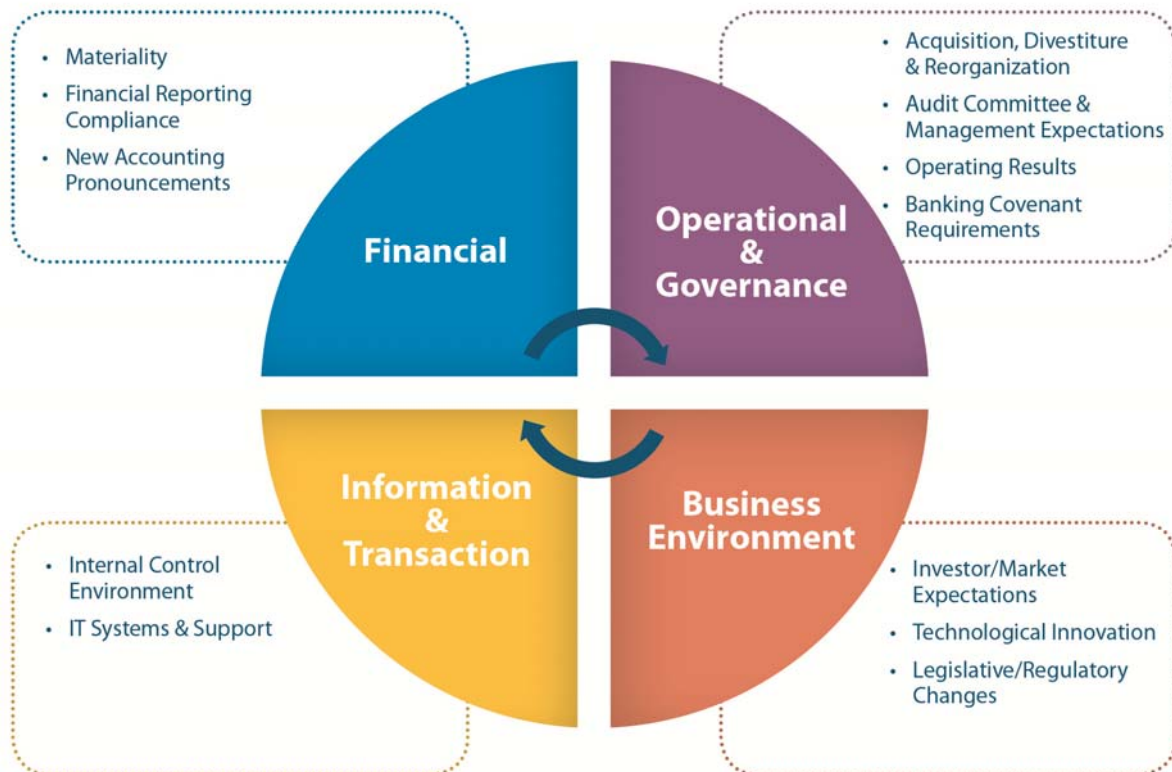


Our proposed services require a coordinated effort between us and the Authority's team. Planning and continual communication are essential to developing the appropriate procedures, working collaboratively to resolve any identified issues, and meeting your timelines.

CRI's audit approach occurs within a framework of our client's business and industry; therefore, we assess risk by:

- Understanding management's perspectives and goals, and
- Considering business conditions and threats that could prevent management from achieving its business objectives.

We assess risks in the following areas:





Our ultimate intent is to drill down from these broad risks to specific financial reporting risks. We understand both these risks and management’s processes and procedures for mitigating them (i.e. internal controls) in order to develop our procedures to carry out our audit responsibilities.

Although our audits are conducted through a structured, risk-based model, we focus on understanding the client’s needs, requirements, and expectations. We work collaboratively with management and the Audit Committee (or similar function) to develop a communication and work plan to continuously improve client service, by doing so we help in moving your team from simple **compliance** to providing you with a **competitive advantage**.

In planning, we concentrate on “key risks,” (items with a greater risk of a material misstatement, a material weakness in internal controls, or other matters resulting in the issuance of an inappropriate audit report). We focus on “material” items (i.e. those items that would be important to the user of your financial statements). When evaluating materiality of identified misstatements, certain quantitative and qualitative factors must be considered—which may include:

- Impact on operating trends (revenue/income, expenses, net income, etc.).
- Nature of the misstatement (i.e., did the misstatement result from an unlawful transaction?).
- Impact on liquidity, capital/surplus, earnings capacity, etc.
- Impact to loan covenants and contractual and regulatory requirements.

Consistent communication is a key to completion of the audit. By ensuring constant involvement, we are in a better position to respond to your issues timely and efficiently. Therefore, we plan to meet with your management to:

- Set-up the audit by reviewing the mapping of the Authority’s financial information (financial statements and notes) to significant processes and IT systems to ensure that all significant account balances, transactions, procedures, and systems are tested as deemed necessary.
- Discuss ongoing changes—specifically new accounting pronouncements and key business transactions in their early stages, enabling us to agree on the resolution of various complex business issues on a timely basis.

GAAP provides a conceptual framework for accounting, financial reporting, and disclosure. Your application of GAAP varies depending on your facts and circumstances—and interpretations.

Our general audit approach as described above is tailored to address the nature and inherent risk of each area. For significant areas, we will:

- Meet with management to gain an understanding of management’s processes and controls.
- Assess and test such controls, as necessary.
- Perform substantive analytical audit procedures and tests of details, as appropriate.

In certain complex areas, we may use functional specialists (e.g. information technology [IT], valuation of investments, and review of actuarial assumptions and calculations) to assist in the evaluation of complicated transactions and judgmental account balances. Additionally, we will review the financial statement disclosures and evaluate the overall transparency of the Authority’s financial reporting.

Taking into account various items related to the Authority, such as—but not limited to—industry expertise, knowledge of your organization, preliminary risk assessments, materiality, and the judgmental nature of the

PROPOSED AUDIT STRATEGY



accounts, we have outlined below the key areas of audit focus and our proposed strategy.

Below is our proposed audit strategy. Our process is fluid and can be adapted easily due to any changes in operations.

PROPOSED AUDIT STRATEGY						
Significant Areas	Level of Risk	Test of Controls	Substantive			Notes
			Analyt ics	Test of Detail s	Use of CAA Ts	
Fraud risks	Medium		✓	✓	✓	<ul style="list-style-type: none"> - Will meet AICPA requirements of fraud testing. - Fraud is considered an intentional act that results in a material misstatement of the financial statements. - We will gather information to identify risks of material misstatement due to fraud, and evaluate processes that address fraud.
Financial reporting	Medium		✓	✓	✓	<ul style="list-style-type: none"> - Period-end financial reporting is critical; financial reporting compiles/reconciles detailed information from underlying processes and systems.
Other estimates and contingencies	Medium		✓	✓		<ul style="list-style-type: none"> - Compensated absences – we will perform tests of details and substantive analytics to substantiate accuracy of account balance.
Manual journal entries	Medium			✓	✓	<ul style="list-style-type: none"> - Manual journal entries are risky.
Entity level controls	Medium		✓	✓	✓	<ul style="list-style-type: none"> - We will gain an understanding of the control environment, risk assessment, monitoring, information and communication channels to determine the nature, timing, and extent of reliance on and tests of controls; we use all of the above to build the audit approach. - Our goal is to leverage management’s processes to the degree possible, which increases efficiency.
IT systems	Medium		✓	✓	✓	<ul style="list-style-type: none"> - Underlying financial and operational systems supporting the key business cycles play a critical role in the ability to generate and compile complete and accurate financial data. - The IT security, computer operations and program change controls for financially significant applications are vital.
Cash and cash equivalents	Medium	ü	✓	✓		<ul style="list-style-type: none"> - Cash is significant because of the large account balance and number of transactions impacting account.
Revenue, Receivables, and Receipts—Proprietary Funds	Medium		✓	✓	✓	<ul style="list-style-type: none"> - We will test revenue systems and processes and perform a combination of substantive analytical procedures and tests of details to test this area.
Investments	Medium		✓	✓		<ul style="list-style-type: none"> - Investments is significant because of the large account balance and susceptibility of misappropriation
Other assets	Medium		✓	✓		<ul style="list-style-type: none"> - Other assets is significant because of the large account balance. We will perform a combination of substantive analytical procedures and tests of details to test these areas.
Accounts payable and related expenditures	Medium	✓	✓	✓	✓	<ul style="list-style-type: none"> - Accounts payable are significant due to the account balance and number of transactions impacting accounts payable and the related expense accounts.

PROPOSED AUDIT TIMING



The following graphs depict the timing and key elements of our **typical** audit process. However, due to the compressed nature of this current year, we will begin the transition process as soon as we are selected as your audit firm so that we can meet your required deadlines.

TIMING OF AUDIT PROCEDURES									
PHASE	2018						2019		
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
Client Acceptance & Pre-Planning									
Appointment of audit firm									
Ongoing consultation on major issues and developments									
Meet with management to discuss business risks and scope									
Hold CRI engagement team planning meetings									
Risk Assessment & Audit Strategy									
Gain understanding of significant processes and key controls									
Perform testing of key controls to reduce substantive testing									
Determine nature, timing and extent of substantive procedures									
Perform selected substantive procedures									
Finalize and communicate plan to management/governance									
Audit Execution									
Conduct remaining substantive tests based on the results of audit procedures performed to date									
Discuss results of audit work with management									
Report & Monitor									
Review annual report									
Meet with management/governance to discuss results of audit procedures									
Issue audited financial statements									



Established in 1997, Carr, Riggs & Ingram, LLC (CRI) is a regional certified public accounting and consulting firm with roots going back to 1972. CRI has over 1,800 professionals in 60+ offices throughout Florida, Alabama, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Tennessee, Texas and New Mexico. CRI provides a wide variety of high-quality, cost-effective accounting, assurance, tax and consulting services to individuals, businesses (both publicly and privately held), governmental entities, and non-profit organizations throughout the United States.

CRI has 20 office locations in Florida with over 400 employees. These offices house a team of accountants with extensive experience auditing governmental entities, especially municipalities. CRI's Florida offices work as a team on many engagements. The Authority audit will be staffed with team members from the Melbourne and Sarasota/Bradenton practice units (offices). Specialists and consulting partners may be utilized from other offices of CRI should the need arise during the audit process. The Melbourne office is the auditor for 13 municipalities and the internal auditor for a county and a city. Our Sarasota office is currently the auditor for 4 governmental entities including Sarasota and Manatee counties, the internal auditor for the Manatee County School Board and performs at least 4 Federal and/or State Single Audits each year. In addition, we review and/or assist with preparation of at least 2 comprehensive annual financial reports each year.

The Melbourne and Sarasota/Bradenton office units from which you will be served, have 20 audit professionals, all of whom participate on audits of Florida municipalities. The Melbourne office is only 10 minutes away and we can be at the Authority's office on a moment's notice. CRI will assign an audit supervising senior and an audit associate to your account. The supervising senior will perform the majority of fieldwork. You will also have two partners working with you, an engagement partner and an engagement quality control partner. All staff in this engagement will be employed on a full-time basis.

CRI delivers a depth of resources that ensures our understanding of your challenges and innovative solutions for overcoming them. Our governmental team's 1,100+ years of combined experience is derived from providing audit and accounting outsourcing services to a client base that includes:

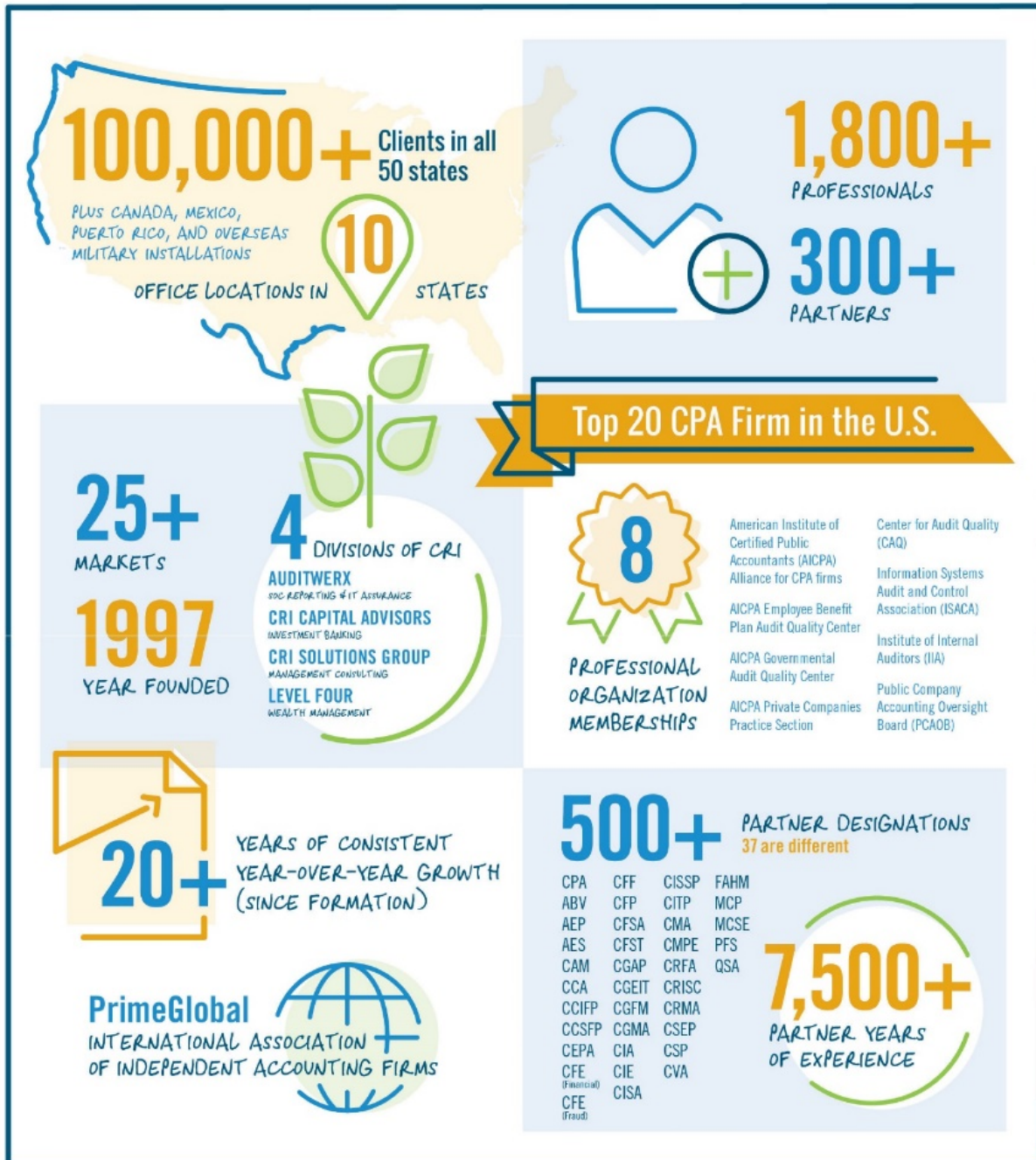
- 450+ governmental entity clients across the South totaling approximately \$24 billion in total revenues,
- Perform single audits for approximately 35% of all governmental clients, and
- Municipality clients of up to \$1.2 billion in total revenues.

We are proud members of the following organizations:

- The American Institute of Certified Public Accountants (AICPA)
- The Governmental Audit Quality Center of the AICPA
- AICPA Private Companies Practice Section
- Employee Benefit Plan Audit Quality Center of the AICPA
- The Center for Audit Quality of the AICPA
- The Public Company Accounting Oversight Board
- Florida Government Finance Officers Association (FGFOA) - CRI partners are regular presenters at FGFOA events, locally and statewide

The firm has not been the object of any disciplinary action during the past three (3) years.

The firm will name the Authority as an insured and will comply with any limits you require for professional liability insurance.



Members of the above voluntary organizations are select CPA firms recognized in the profession to be of the highest caliber. As a result, we are subject to stricter quality control standards than firms that choose not to take this voluntary step to improve the quality of their practices.

1. All work will be performed by CRI employees and we will not be doing a joint vendor or consortiums with another firm.



Similar engagements with Government Entities in the Melbourne and Sarasota offices led by Tim and Debbie are listed below:

Client	Scope of Work	Dates of Service	Principal	Contact
Manatee County	Audit of FS, Single Audit, Consent Letter	2000 - Present	Tim Gruters	Dan Wolfson; 941.741.4010; dan.wolfson@manateeclerk.com
School Board of Manatee	Internal Audit	2009 - present	Byron Shinn	Sysan Agruso; 941.896.6081; agrusos@manateeschools.net
Sarasota County	Audit of FS, Single Audit, Consent Letter	2009 - present	Tim Gruters	Nicole Jovanovski, 941.861.5000; njovanov@sgov.net
Lakewood Ranch Stewardship District	Audit of Financial Statements	2007 - present	Tim Gruters	Tony Chiofalo; 941.755.6574; tony.chiofalo@smrranch.com
State College of Florida - Traffic Safety Institute	Audit of Financial Statements	2006 - present	Tim Gruters	william Chiaramonti, 941.487.7400; chiaraw@scf.edu
Housing Finance Authority of Manatee County	Audit of Financial Statements	2007 - present	Tim Gruters	Angela Abbott; 941.764.0277; angelaabbott@cfl.rr.com
Trailer Estates Fire Control District	Audit of Financial Statements	2006 - present	Tim Gruters	Mary Chandler; 207.699.9368; treasurer@trailerestates.com
City of Satellite Beach, Florida	Financial Audit	2001 - Present	Debbie Goode	Brittany Jumper, Comptroller 321.773.4407; bjumper@satellitebeach.org
City of New Smyrna Beach, Florida	Financial Audit, Review of CAFR, Federal and State Single Audits	2014 - Present	Debbie Goode	Pamela Brangaccio, City Manager; 386.410.2600; pbrangaccio@cityofnsb.com
City of Daytona Beach, Florida	Financial Audit, Review of CAFR, Federal and State Single Audits	2014 - Present	Debbie Goode	Patricia Bliss, Chief Financial Officer; 386.671.8060; pbliss@codb.us
City of West Melbourne, Florida	Financial Audit and Preparation of CAFR, State Single Audit	2013 - Present	Debbie Goode	Margi Starkey, Finance Director; 321.837.7759; mstarkey@westmelbourne.org
City of Daytona Beach Shores, Florida	Financial Audit and Review of CAFR	2008 - Present	Debbie Goode	Michael Booker, City Manager; 386.763.5353; mbrooker@cityofdbshs.org
City of Melbourne, Florida	Financial Audit, Review of CAFR, Federal and State Single Audits	1978 - Present	Debbie Goode	Jeff Towne, Finance Director; 321.608.7048; Jeff.towne@mlbfl.org
City of Fellsmere, Florida	Financial Audit	2015 - Present	Debbie Goode	Putnam Moreman, CPA, CGFM, Director of Finance and Accounting; 772.646.6304; financedirector@cityoffellsmere.org
City of Okeechobee	Financial Audit	2001 - Present	Debbie Goode	India Riedel, Finance Director; 863.763.3372 x223; iriedel@cityofokeechobee.com
City of Rockledge, Florida	Financial Audit, Federal and State Single Audits	2016 - Present	Debbie Goode	Matthew Trine, Finance and Risk Management Director; 321.204.6356; mtrine@cityofrockledge.com
Town of Indianlantic, Florida	Financial Audit	2001 - Present	Debbie Goode	Christoper Chinault, Town Manager; 321.723.2242; cchinault@indianlantic.com
Town of Indian River Shores, Florida	Financial Audit	2016 - Present	Debbie Goode	Heather Christmas, CPA, Town Treasurer; 772.231.1771 x132; irsta@irshores.com



List of Housing Authority’s that we have worked with during the last 5 years

One of the benefits of being a regional firm is the experience we can draw upon. Below are some of our Housing Authority clients that we have experience with outside the immediate region. Should you require additional services related to the Authority, we have a team of professionals that we can consult with.

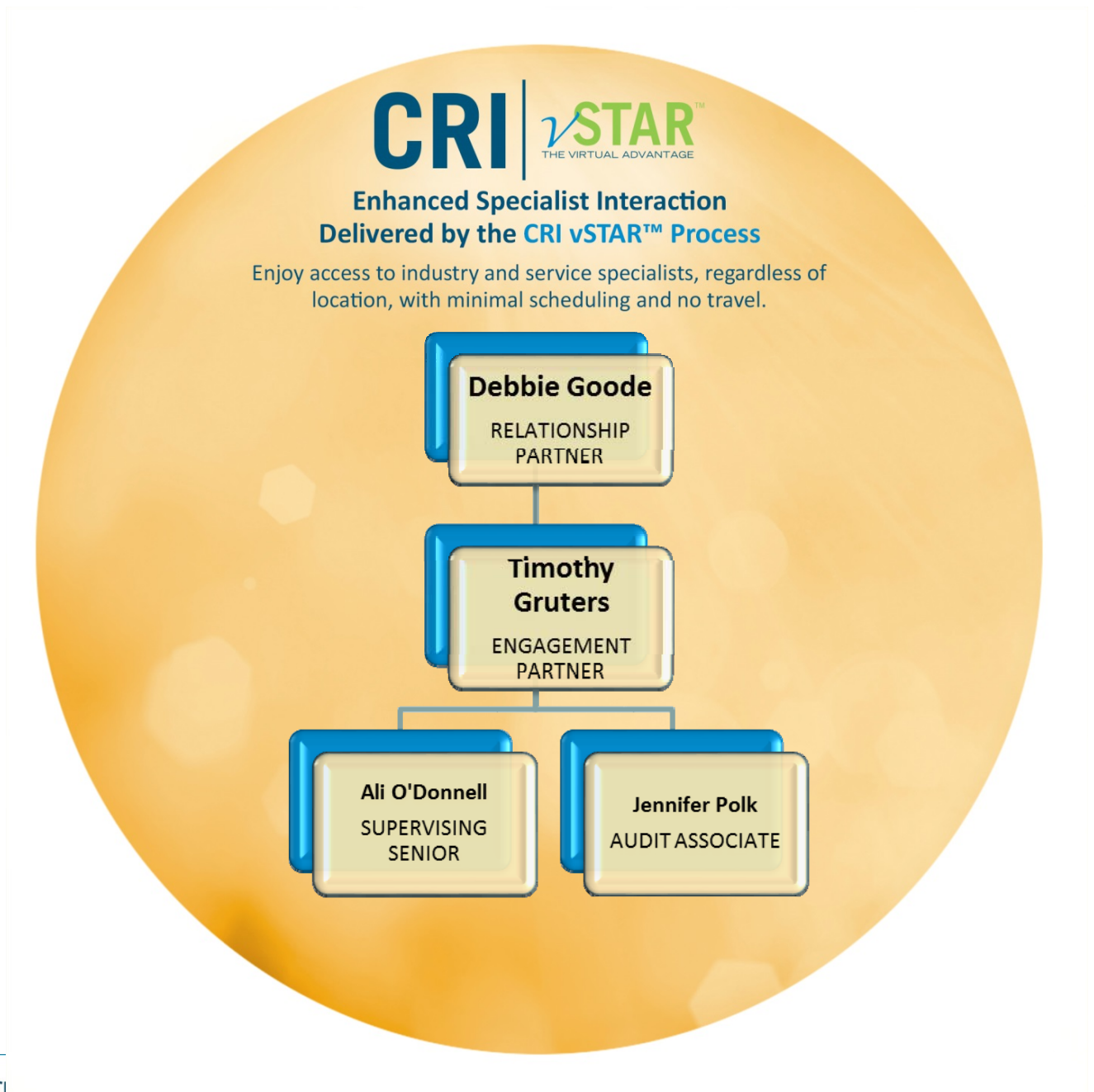
Client	Scope of Work
Housing Finance Authority of Manatee County	Annual Audit of Financial Statements
Cedar City Housing Authority, Utah	Annual Audit of Financial Statements
City of Alamogordo, NM (including the Housing Authority)	Annual Audit of Financial Statements
City of Eagle Pass Housing Authority – Eagle Pass, TX	Annual Audit of Financial Statements and Compliance Audit
City of Las Vegas, NM (including the Housing Authority)	Annual Audit of Financial Statements
Clovis Housing & Redevelopment Agency, Inc.	Annual Audit of Financial Statements
Housing Authority of the City of Bossier City, LA	Annual Audit of Financial Statements
Northern Regional Housing Authority	Annual Audit of Financial Statements
Panama City Housing Authority	Annual Audit of Financial Statements
Rio Arriba County (including the Housing Authority)	Annual Audit of Financial Statements
St. Johns County Housing Finance Authority	Annual Audit of Financial Statements
Truth or Consequences Housing Authority	Annual Audit of Financial Statements
Village of Fort Sumner Housing Authority	Annual Audit of Financial Statements
Village of Fort Sumner Housing Authority	Annual Audit of Financial Statements
Walton County Housing Authority	Annual Audit of Financial Statements

YOUR SOLUTION TEAM



We have assembled a team of professionals who will ensure the highest level of personal dedication and professional excellence to you. Our team delivers exceptional services through a balanced blend of skills (service-driven, industry-specific, technical, and business) and experience that we know are important to you. Our practice is to keep the same team every year. Should there be any changes at the Partner level, we will discuss with you to make sure you are satisfied with the change.

Brief profiles of each member of the team identified below follow on subsequent pages. Tim, who has similar experience with the Housing Authority of Manatee County, will lead the engagement. Debbie Goode and the Melbourne office of CRI have worked with Brevard County in the past and looks forward to working with you on this audit.





Deborah Goode, CPA Engagement Quality Control Partner

(321) 426-3040 phone

dgoode@cricpa.com

Representative Clients

- Canaveral Port Authority
- City of Cocoa, Florida
- City of Daytona Beach, Florida
- City of Daytona Beach Shores, Florida
- City of Melbourne, Florida
- City of Okeechobee, Florida
- City of New Smyrna Beach, Florida
- City of Palm Bay, Florida
- City of Satellite Beach, Florida
- City of West Melbourne, Florida
- Melbourne-Tillman Water Control District
- Sebastian Inlet Tax District
- Space Florida
- Town of Indialantic, Florida
- Town of Melbourne Beach, Florida

Internal Audit Engagements

- Brevard County, Florida

Consulting Engagements

- Union County, North Carolina
- City of Port Orange forensic consulting

Experience

Debbie is a Florida CPA and provides more than 30 years of accounting and governmental auditing experience to clients in the Central Florida region. Debbie works primarily with government entities, not-for-profit organizations and commercial companies with her largest client base being government entities.

Debbie is currently responsible for being either the engagement partner or engagement quality control partner for the audits of 17 governmental entities and a governmental internal audit client. She has extensive experience in preparing and reviewing Comprehensive Annual Financial Reports (CAFRs) and Single Audits. She is a government industry leader for CRI and consults with other partners when they need assistance. She has been a presenter at the School of Government Finance as well as the FGFOA conferences and will be presenting at the 2018 conference. Debbie's professional achievements were recognized with the Florida Institute of Certified Public Accountants (FICPA) Women to Watch Award in the experienced leader category. She was also named to the FICPA's President's Honor Roll. Additionally, Debbie is a diplomat of the American College of Forensic Examiners (ACFE). She has worked on various forensic examinations in the past few years related to governmental entities, one a City and the other a County.

Education, Licenses & Certifications

- BS, Accounting Florida State University
- Masters, University of South Florida
- Certified Public Accountant - registered and licensed in Florida
- Diplomat of American College of Forensic Examiners

Professional Affiliations

- Florida Government Finance Officers Association (FGFOA)
- Space Coast Government Finance Officers Associate
- American Institute of Certified Public Accountants (AICPA)
- Florida Institute of Certified Public Accountants (FICPA)
- Chair 2014-2016, Space Coast Economic Development Commission
- United Way, Executive Committee and Board Member



Tim Gruters, CPA
Audit Partner

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tgruters@CRLcpa.com

Representative Clients

- Manatee County
- Sarasota County
- Children's Guardian Fund
- Florida Center for Early Childhood, Inc.
- Hope Family Services, Inc.
- Library Foundation
- Manatee Players
- Palmetto Youth Center

Experience

Mr. Gruters has over 10 years of audit experience. His primary responsibilities include leading and supervising audits, reviews and assurance engagements of local government, not-for-profit organizations, and privately held companies. Tim has experience with Housing Finance Authorities via his work with Manatee County.

Education, Licenses & Certifications

- B.S. Franciscan University
- Certified Public Accountant

Professional Affiliations

- American Institute of Certified Public Accountants (AICPA)
- Florida Institute of Certified Public Accountants (FICPA)

Continuing Professional Education

- Over the last three years, Tim as attended 188 hours of CPE, including 108 hours of governmental specific training and 16 hours of not-for-profit specific of CPE, including 108 hours of governmental specific training and 16 hours of not-for-profit specific training. Over the last two years, he has taken 73 hours of Government related CPE (including the FGFOA Conference this year).



Ali O'Donnell, CPA Supervising Senior

941.747.0500 phone

aodonnell@CRlcpa.com

Representative Clients

- Manatee County
- Sarasota County
- Housing Finance Authority of Manatee County

Experience

Ali joined the firm in 2015 and has been active with our governmental audit clients. Ali has worked with Tim on the Housing Finance Authority of Manatee County.

Education, Licenses & Certifications

- B.S. University of South Florida, Sarasota-Manatee
- Certified Public Accountant

Professional Affiliations

- American Institute of Certified Public Accountants (AICPA)
- Florida Institute of Certified Public Accountants (FICPA)

Continuing Professional Education

- Over the last two years, Ali has taken 80 + hours of CPE classes, with 40 of those hours specific to governmental auditing.



Jennifer Polk
Audit Associate

(321) 426-3050 Phone

jpolk@cricpa.com Email

Representative Clients

- City of Daytona Beach Shores, Florida
- City of Melbourne, Florida
- City of New Smyrna Beach, Florida
- City of Okeechobee, Florida
- Melbourne-Tillman Water Control District, Florida
- Sebastian Inlet District, Florida

Experience

Jennifer joined Carr, Riggs & Ingram in January of 2017 after completing her Bachelor's Degree in Accounting and Finance. Jennifer has worked on several large governmental engagements and has one year of government audit experience. During Jennifer's time with CRI, she has focused solely in the audit area and specifically in governmental, employee benefit plans and not-for-profit entities. She attends government accounting conferences and employee benefit plan continuing education courses in order to stay current on accounting standards and regulation changes. She assists our clients with implementing new standards and improving their internal controls.

Education, Licenses & Certifications

- BS, Accounting, University of Central Florida, 2016
- BS, Finance, University of Central Florida, 2016

Professional Affiliations

- Florida Institute of Certified Public Accountants (FICPA)



We value creating mutually-rewarding, long-term relationships with our clients. Our goal is to provide high quality, responsive service that yields returns far greater than your investment in our professional fees. Please find below our proposal of fees to provide the requested services for the upcoming three respective fiscal years.

SERVICE	CRI FEES		
	2018	2019	2020
Perform external audit services in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in <i>Government Auditing Standards</i> including submission of the Financial Data Schedule. (General Purpose Audit)	\$13,000	\$13,250	\$13,500

**Actual out-of-pocket expenses are included in the fee.*

UNIQUE SAVINGS OPPORTUNITY WITH CRI

CRI offers the unique opportunity to utilize the **CRI vSTAR™ process**, our virtual audit process that combines minimal hardware, collaborative software, and cameras to allow us to perform all or part of our audit engagement virtually and in real time. **CRI vSTAR™ clients** will enjoy reduced or eliminated travel costs – which translates into savings.

If the Authority requests additional services outside of this proposal, professional fee hourly rates are as follows, but may be negotiated depending on the project request:

CLASSIFICATION	HOURLY RATE
Partner	\$225
Manager	\$175
Senior	\$155
Staff	\$110

Our professional fees are based on the key assumptions that the Authority will:

- Make available documents and work papers for review at the Authority’s headquarters location, although we may choose to review at alternate locations.
- Prepare certain schedules and analyses and provide supporting documents as requested.
- Assist us in obtaining an understanding of the accounting systems of the Entity.
- Not experience a significant change in business operations or financial reporting standards.



System Review Report

To the Partners of Carr, Riggs & Ingram, LLC
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Carr, Riggs, & Ingram, LLC (the "firm") applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended June 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.

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 2 engagements].

We noted the following deficiency during our review:

1. Deficiency – The firm's quality control policies and procedures with respect to engagement performance, including engagement partner review, as well as firm training for partners and staff, do not provide partners and staff with a means of ensuring that all necessary procedures are performed and/or procedures performed are appropriately documented, in the performance of Single Audit engagements. As a result, we identified performance and documentation deficiencies in each of the Single Audit engagements reviewed, and in the case of several engagements, deficiencies such that the engagements were considered to not have been performed in accordance with professional standards in all material respects.

Recommendation – The firm should provide appropriate training to all firm personnel assigned to Single Audit engagements to ensure an understanding of the procedures required to be performed, as well as related documentation requirements. We also recommend that the firm consider whether additional quality control policies should be implemented with respect to these engagements, including a requirement for EQCR to be performed on all Single Audit engagements and the establishment of defined qualification requirements to serve as an engagement partner on Single Audit engagements.

In our opinion, except for the deficiencies previously described, the system of quality control for the accounting and auditing practice of Carr, Riggs, & Ingram, LLC applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended June 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*. Carr, Riggs, & Ingram, LLC has received a peer review rating of *pass with deficiency*.

Eide Bailly LLP

Eide Bailly LLP
March 7, 2017

"While we were disappointed with the results of the peer review, we viewed this as an opportunity to create an unprecedented monitoring process that allows us to make continuous improvements to our procedures on a real-time basis, and to create a new system which prevents engagements not meeting our rigorous quality controls standards from being issued.

CRI has spent an extraordinary amount of resources addressing this deficiency. In order to address this, CRI performed complete look back reviews on all engagements to identify all Single Audit and other issues, which provided a basis for improvements to our quality control policies and procedures. We have modified our processes to require Engagement Quality Control Reviews on every Single Audit engagement, as well as other public-interest entities. In addition, every engagement issued by the firm (not limited to Single Audits), undergoes a corporate level inspection of the quality of work performed prior to issuance."



WEBSITE

CRI shines a light on best practices via thousands of articles, videos, informative charts, and descriptive testimonials. With sections dedicated to illuminating insights by industries and services, our easy-to-navigate website highlights trending topics that detail new standards, changing regulations, and other current business topics. From cybersecurity to the new revenue recognition standard, we are ready to proactively answer your questions.



CRInsights

CRInsights are your doorway to in-depth yet down-to-earth explanations of complex topics. We understand that just because a topic makes perfect sense to a CPA doesn't mean that it should to our clients.

- The Busy CFO & Controller's Toolkit for Successfully Implementing the New Revenue Recognition Standard
- 6 Key Ways to Strengthen Your Cybersecurity Posture
- Back to Basics: 5 Key Financial Considerations for Construction Companies
- The Not-for-Profit's Guide to Fraud Prevention



NEWSLETTER

Our team is dedicated to keeping our clients informed, and we prove it by creating a custom monthly e-newsletter with widely-applicable topics. The articles are designed to help you improve your business and personal finances. Popular topics include:

- 3 Things To Improve Business Operations Immediately
- Financial Statement Audits Aren't Designed to Identify Fraud
- Are You a Big "Phish?" Protect from Cybersecurity Whaling Attacks
- You Might Have Money Hiding In Plain Sight

Sign up at CRlcpa.com.



We are proud of our hands-on, service-centric, and results-oriented approach. Combining that approach with quality controls and superior talent allows us to help you achieve your goals and strengthen your management systems and processes. This approach is further emphasized through our three core values which guide our team's behavior and function as the foundation for interactions with our clients and each other.

