

**AGREEMENT FOR PROFESSIONAL SERVICES BETWEEN ALACHUA COUNTY
AND PURVIS, GRAY, AND COMPANY, LLP FOR ANNUAL PROFESSIONAL
AUDITING SERVICES**

This Agreement is entered into this 11th day of September, 2018 between ALACHUA COUNTY, a political subdivision and Charter County of the State of Florida, by and through its Board of County Commissioners, hereinafter referred to as "County" and Purvis, Gray and Company, LLP doing business at 222 N.E. 1st Street, Gainesville, FL 32601, hereinafter referred to as "Professional". Collectively hereinafter, the County and Professional referred to as the "Parties."

WITNESSETH

WHEREAS, the County issued RFP #19-84 seeking qualified Professionals to furnish Annual Professional Auditing Services to the County as more particularly described in RFP #19-84; and

WHEREAS, after evaluating and considering all timely responses to RFP #19-84, the County identified the Professional as the top ranked firm; and

WHEREAS, the County desires to employ the Professional to provide the services described in RFP #19-84 and the Professional desires to provide such services to the County in accordance with the terms and conditions set forth herein; and

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which is acknowledged by the Parties, the Parties hereby agree as follows:

1. **Term.** This Agreement shall become effective on the date that it is executed by both Parties and shall continue through Professional's completion of audit services for the fiscal year ending September 30, 2022 and the Parties' full performance of all their obligations under this Agreement (the "Initial Term"), unless earlier terminated as provided herein. This Agreement may be renewed at the option of the County for two (2) additional three (3) year terms at the terms and conditions contained in this Agreement.

The County's performance and obligation to pay under this Agreement is contingent upon a specific annual appropriation by the Board of County Commissioners. The Parties hereto understand that this Agreement is not a commitment of future appropriations.

2. **Representations.** By executing this Agreement, the Professional makes the following express representations to the County:

2.1. The Professional is qualified to provide the professional auditing services described in this Agreement and is a licensed Certified Public Accountant eligible to practice public

accounting by all public entities having jurisdiction over the Professional and the audit services and is qualified to conduct audits in accordance with government auditing standards as adopted by the Florida Board of Accountancy;

2.2. The Professional shall maintain all necessary licenses, permits or other authorizations necessary to act as professional for the audit services until the Professional's duties hereunder have been fully satisfied;

2.3. The Professional has become familiar with the sites and the local conditions under which the audit services are to be performed;

2.4. The Professional shall prepare all deliverables required by this Agreement in such a manner that they shall be accurate, coordinated, and adequate for the purposes intended and shall be in conformity and comply with all applicable laws and regulations;

2.5. The Professional represents that the deliverables prepared by the Professional shall be adequate and sufficient to accomplish the purposes of the audit services and shall meet the requirements of auditing standards generally accepted in the United States of America, the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the *Single Audit Act Amendments of 1996*, the provisions of the Uniform Guidance, the *Florida Single Audit Act*, and Chapter 10.550, *Rules of the Auditor General*.

2.6. The Professional acknowledges that the County's review of the deliverables in no way diminishes the Professionals representations pertaining to the deliverables.

3. **Duties of the Professional.** The Professional shall have and perform the following duties, obligations, and responsibilities to the County as outlined in **Exhibit "1."**

4. **Duties of the County.** The County shall have and perform the following duties, obligations, and responsibilities to the Professional as outlined in **Exhibit "2."**

5. **Method of Payment.** For its assumption and performance of the duties, obligations, and responsibilities set forth herein, the Professional shall be paid in accordance with this section.

5.1. As more particularly described in Exhibit 1, the Professional shall conduct the annual financial audits required by section 218.39, Florida Statutes, for each of the following fiscal years: October 1, 2017 through September 30, 2018 ("First Audit Cycle"); October 1, 2018 through September 30, 2019 ("Second Audit Cycle"); October 1, 2019 through September 30, 2020 ("Third Audit Cycle"); October 1, 2020 through September 30, 2021 ("Fourth Audit Cycle"); and October 1, 2021 through September 30, 2022 ("Fifth Audit Cycle"). The County shall pay the Professional the following fixed contract prices for all services required by this Agreement: (i) \$175,000 for services related to the First Audit Cycle; (ii) \$180,250 for services related to the Second Audit Cycle; (iii) \$185,657.50 for services related to the Third Audit Cycle; (iv) \$191,227.23 for services related to the Fourth Audit Cycle; and (v) \$196,964.05 for services related to the Fifth Audit Cycle. Each fixed contract price also includes annual financial audit services for the Alachua County Library District. The Professional shall submit invoices based on percentage of annual audit work progress completed during the current Audit Cycle. Invoicing and

payments will be based upon the completion of the following milestones:

5.1.1. 20% of the applicable Audit Cycle's fixed contract price upon completion of preliminary fieldwork;

5.1.2. 20% of the applicable Audit Cycle's fixed contract price upon completion of final fieldwork for Constitutional Officers;

5.1.3. 40% of the applicable Audit Cycle's fixed contract price upon completion of final fieldwork for BOCC and Library;

5.1.4. 10% of the applicable Audit Cycle's fixed contract price upon completion of review and delivery of draft reports;

5.1.5. 10% of the applicable Audit Cycle's fixed contract price upon final audit reports delivery.

5.2. No additional reimbursable expenses will be paid under this Agreement unless mutually agreed upon by the Parties.

5.3. As a condition precedent for any payment, the Professional shall submit invoices to the County upon completion of each milestone set forth in subsections 5.1.1. through 5.1.5., above. The Professional's invoice shall describe with reasonable particularity each service rendered, the period the services cover and the date thereof. The Professional's invoice shall be accompanied by such documentation or data in support of expenses for which payment is sought as the County may require. If payment is requested for services rendered by Professional, the invoice shall additionally reflect the allocations as provided and shall state the percentage of completion as to each such allocation. Each invoice shall constitute the Professional's representation to the County that the services indicated in the invoice have reached the level stated, have served a public purpose, have been properly and timely performed as required herein, that the expenses included in the invoice have been reasonably incurred in accordance with this Agreement, that all obligations of the Professional covered by prior invoices have been paid in full, and that the amount requested is currently due and owing, there being no reason known to the Professional that payment of any portion thereof should be withheld. Submission of the Professional's invoice for final payment shall further constitute the Professional's representation to the County that, upon receipt by the Professional of the amount invoiced, all obligations of the Professional to others, including its consultants, incurred in connection with the Audit, will be paid in full. The Professional shall submit invoices to the County at the following address:

Todd Hutchison
Finance and Accounting
12 SE 1st Street, 4th Floor
Gainesville, Florida 32601

5.4. In the event that the County becomes credibly informed that any representations of the Professional relating to payment are wholly or partially inaccurate, the County may withhold payment of sums then or in the future otherwise due to the Professional until the

inaccuracy, and the cause thereof, is corrected to the County's reasonable satisfaction.

5.5. All applications for payment shall be processed and paid in accordance with the provisions of Chapter 218, Part VII (Local Government Prompt Payment Act), Florida Statutes, and the County shall remit all payments to:

Purvis, Gray & Company, LLP
222 NE 1st Street
Gainesville, FL 32601
ATTN: Billing Department

5.6. In the event that the County elects to renew this Agreement as provided in Section 1, above, the fixed contract price to be paid to the Professional during the renewal period shall be increased each Audit Cycle by three percent (3.0%) from the prior Audit Cycle's fixed contract price, with invoicing to be made according to the provisions of subsections 5.1.1. through 5.1.5.

6. Alachua County Minimum Wage:

- 6.1. Services rendered through this Agreement are considered covered services under Chapter 22, Article III, of the Alachua County Code of Ordinances ("Wage Ordinance"), which establishes a government minimum wage for certain contractors and subcontractors providing selected services to Alachua County government.
- 6.2. Current required Alachua County Government Minimum Wage is \$13.50 per hour when health benefits are provided at the equivalent value of \$2.10 per hour and \$15.60 when health benefits are not provided (collectively, the "Minimum Wage").
- 6.3. The County may amend the applicable Minimum Wage on or before October 1st of each year.
- 6.4. The Professional must provide certification, **Exhibit 4**, to the County that it pays each of its employees the Alachua County Government Minimum Wage, as well as ensuring that it will require the same of its subcontractors throughout the duration of the Agreement.
- 6.5. The Professional shall prominently display a copy of the Wage Ordinance where it is easily seen by covered employees and supply to covered employees upon request. Additionally, the Professional is responsible to make any person submitting a bid for a subcontract for covered services aware of the requirement.
- 6.6. Failure to comply with the provisions of the Wage Ordinance will be deemed a breach of contract and authorize the County to withhold payment of funds in accordance with Chapter 218, Florida Statutes.
- 6.7. The Professional will include the necessary provisions in subcontracts to ensure compliance. However, the County shall not be deemed a necessary, or indispensable, party in any litigation between the Professional and subcontractor

7. Personnel.

- 7.1. The Professional will assign only qualified personnel to perform any service concerning

this Agreement. At the time of execution of this Agreement, the Parties anticipate the following personnel will perform those functions indicated for the County, Library, and Constitutional Officers ("COs").

<u>NAME</u>	<u>FUNCTION</u>
Ronald D. Whitesides, CPA	Partner in Charge – County & Library Engagements
Ryan M. Tucker, CPA	Partner in Charge – Library and COs.
Barbara Boyd, CPA	Partner in Charge - Library and COs
Mark A. White, CPA	Independent Review Partner
Kevin R. Smith, CPA	Manager in Charge – County Engagement
Alexander P. Mackriss, CPA	Senior Auditor – County Engagement
George W. Presnell, III, CPA	Manager in Charge - Library and COs
Megan G. Camp, CPA	Supervisor Auditor – Library and COs
Steven W. Huss, CPA	Supervisor Auditor – Library and COs
Michael S. Sandstrum, CPA	Information Technology Consultant
Staff Auditors	To be determined on an as needed basis

7.2. So long as the individuals named above remain actively employed or able to be retained by the Professional, they shall perform the functions indicated next to their names. The overall partner in charge, Ronald D. Whitesides, C.P.A., may authorize changes to this list in writing.

8. **Notice.** Except as otherwise provided in this Agreement, all notices to be provided under this Agreement, including but not limited to any notice of default or termination, from either party to the other party must be in writing and sent by certified mail, return receipt requested, by personal delivery with receipt, or via electronic mail. All notices shall be deemed delivered two (2) business days after mailing, unless deliver is by personal delivery in which case delivery shall be deemed to occur upon actual receipt by the other party. For purposes of all notices, Professional's and County representative are:

County: Todd Hutchison, C.P.A.
Finance Director
Finance and Accounting Department
12 SE 1st Street, 4th Floor
Gainesville, FL 32601

Professional: Purvis, Gray & Company, LLP
222 NE 1st Street
Gainesville, FL 32601
Attn: Ron Whitesides

A copy of any notice, request or approval to the County must also be sent to:

Procurement Division
12 SE 1st Street
Gainesville, Florida 32601
Attn: Contracts

9. Default and Termination.

- 9.1. The failure of the Professional to comply with any provision of this Agreement will place the Professional in default. Prior to terminating the Agreement, the County will notify the Professional in writing. This notification will make specific reference to the provision which gave rise to the default. The County will give the Professional seven (7) days to cure the default. The Finance Director is authorized to provide written notice of default on behalf of the County, and if the default situation is not corrected within the allotted time the Clerk of the Circuit Court is authorized to provide final termination notice on behalf of the County to the Professional.
- 9.2. The County may also terminate the Agreement without cause by providing written notice to the Professional (hereinafter, "Termination for Convenience"). The County Manager is authorized to provide written notice of Termination for Convenience on behalf of the County. Upon such notice, Professional will immediately discontinue all Services affected (unless the notice directs otherwise) and deliver to the County all data, drawings, specifications, reports, estimate, summaries, and such other information and materials as may have been accumulated by the Professional in performing this Agreement, whether completed or in process. In the event of such Termination for Convenience, Professional's recovery against County shall be limited to that portion of the fixed Contract Price earned through the date of termination, but Professional shall not be entitled to any other or further recovery against County, including, but not limited to, damages, consequential or special damages, or any anticipated fees or profit on portions of the Services not performed.
- 9.3. If funds to finance this Agreement become unavailable, the County may terminate the Agreement with no less than twenty-four hours' notice in writing to the Professional. The County will be the final authority as to the availability of funds. The County will pay the Professional for all work completed prior to any notice of termination.

10. Project Records.

10.1. General Provisions:

- 10.1.1. Any document submitted to the County may be a public record and is open for inspection or copying by any person or entity. "Public records" are defined as all documents, papers, letters, maps, books, tapes, photographs, films, sound recordings, data processing software, or other material, regardless of the physical form, characteristics, or means of transmission, made or received pursuant to law or ordinance or in connection with the transaction of official business by any agency per §119.011(11), Florida Statutes. Any document is subject to inspection and

copying unless exempted under Chapter 119, Florida Statutes, or as otherwise provided by law.

10.1.2. In accordance with §119.0701, Florida Statutes, the Professional (referred hereinafter in all of the "Audit Records" section collectively as "Professional"), *when acting on behalf of the County*, as provided under 119.011(2), Florida Statutes, shall keep and maintain public records as required by law and retain them as provided by the General Record Schedule established by the Department of State. Upon request from the County's custodian of public records, provide the County with a copy of the requested records or allow the records to be inspected or copied within a reasonable time unless exempted under Chapter 119, Florida Statutes, or as otherwise provided by law. Additionally, the Professional shall provide the public records at a cost that does not exceed the cost provided in this chapter or as otherwise provided by law.

10.1.3. Professional shall ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of this Agreement and following completion of this Agreement if the Professional does not transfer the records to the County.

10.2. Confidential Information:

10.2.1. During the term of this Agreement or license, the Professional may claim that some or all of Professional's information, including, but not limited to, software documentation, manuals, written methodologies and processes, pricing, discounts, or other considerations (hereafter collectively referred to as "Confidential Information"), is, or has been treated as confidential and proprietary by Professional in accordance with §812.081, Florida Statutes, or other law, and is exempt from disclosure under the Public Record Act. Professional shall clearly identify and mark Confidential Information as "Confidential Information" or "CI" and the County shall use its best efforts to maintain the confidentiality of the information properly identified by the Professional as "Confidential Information" or "CI."

10.2.2. The County shall promptly notify the Professional in writing of any request received by the County for disclosure of Professional's Confidential Information and the Professional may assert any exemption from disclosure available under applicable law or seek a protective order against disclosure from a court of competent jurisdiction. Professional shall protect, defend, indemnify, and hold the County, its officers, employees and agents free and harmless from and against any claims or judgments arising out of a request for disclosure of Confidential Information. Professional shall investigate, handle, respond to, and defend, using counsel chosen by the County, at Professional's sole cost and expense, any such claim, even if any such claim is groundless, false, or fraudulent. Professional shall pay for all costs and expenses related to such claim, including, but not limited to, payment of attorney fees, court costs, and expert witness fees and expenses. Upon completion of this Agreement or license, the provisions of this paragraph shall continue to survive. Professional releases County from claims or damages related to disclosure by County.

10.3. **Audit Completion:** Upon completion of, or in the event this Agreement is terminated, the Professional, *when acting on behalf of the County* as provided under §119.011(2), Florida Statutes, shall transfer, at no cost, to the County all public records in possession of the Professional or keep and maintain public records required by the County to perform the service. If the Professional transfers all public records to the County upon completion or termination of the agreement, it must destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the Professional keeps and maintains public records upon the completion or termination of the Agreement all applicable requirements for retaining public records shall be met. All records stored electronically shall be provided to the County, upon request from the Counties custodian of public records, in a format that is compatible with the information technology systems of the County.

10.4. **Compliance:** If the Professional fails to provide the public records to the County within a reasonable time, the Professional may be subject to penalties under s. 119.10, Florida Statutes.

IF THE PROFESSIONAL HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE PROFESSIONAL'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE COUNTY REPRESENTATIVE AT EMAIL nth@alachuaclerk.org, PHONE (352) 374-3605, OR US MAIL AT 12 SE 1ST ST, 4TH FLOOR, GAINESVILLE, FL 32601

11. **Ownership of Deliverables.** All Audit deliverables and documents are the sole property of the County and may be used by the County for any purpose.

12. **Insurance.** The Professional will procure and maintain insurance throughout the entire term of this Agreement of the types and in the minimum amounts detailed in **Exhibit "3."** A copy of a current Certificate of Insurance (COI) showing coverage of the type and in the amounts required is attached hereto as **Exhibit "3-A"**.

13. **Permits.** The Professional will obtain and pay for all necessary permits, permit application fees, licenses or any fees required.

14. **Laws & Regulations.** The Professional will comply with all laws, ordinances, regulations, and building code requirements applicable to the work required by this Agreement. The Professional is presumed to be familiar with all state and local laws, ordinances, code rules and regulations that may in any way affect the work outlined in this Agreement. If the Professional is not familiar with state and local laws, ordinances, code rules and regulations, the Professional remains liable for any violation and all subsequent damages or fines.

15. **Indemnification**

15.1. The Professional agrees to protect, defend, indemnify, and hold the County and director and their officers, employees and agents free and harmless from and against any

and all losses, penalties, damages, settlements, costs, charges, professional fees or other expenses or liabilities of every kind and character arising out of or directly or indirectly relating to any and all claims, liens, demands, obligations, actions, proceedings or causes of action of every kind and character in connection with or arising directly or indirectly out of this Agreement and/or the performance hereof. Without limiting the generality of the foregoing, any and all such claims, etc., including but not limited to personal injury, death, damage to property (including destruction) defects in materials or workmanship, actual or alleged infringement of any patent, trademark, copyright (or application for any thereof) or of any other tangible or intangible personal or property right, or any actual or alleged violation of any applicable statute, ordinance, administrative order, rule, or regulation or decree of any court, shall be included in the indemnity hereunder. The Professional further agrees to investigate, handle, respond to, provide defense (including payment of attorney fees, court costs, and expert witness fees and expenses up to and including any appeal) for and defend any such claim at its sole cost and expense through counsel chosen by the County and agrees to bear all other costs and expenses related thereto, even if their (claims, etc.) are groundless, false, or fraudulent. Professional agrees that indemnification of the County shall extend to any and all work performed by the Professional, its sub-Professionals, employees, agents, servants or assigns. This obligation shall in no way be limited in any nature whatsoever by any limitation on the amount or type of Professional's insurance coverage. This indemnification provision shall survive the termination of the Agreement between the County and the Professional.

15.2. Nothing contained herein shall constitute a waiver by the County of sovereign immunity or the provisions or limitation of liability of §768.28, Florida Statutes.

16. **Standard of Care.** The services of the Professional shall be performed with the skill and care which would be exercised by qualified professional performing similar services at the time and place such services are performed. If the failure to meet these standards results in deficiencies in the substandard architectural or engineering design, the Professional shall furnish, at his own cost and expense, the redesign necessary to correct such deficiencies, and shall be responsible for any and all consequential damages arising from those deficiencies.
17. **Assignment of Interest.** Neither party will assign or transfer any interest in this Agreement without prior written consent of the other party.
18. **Successors and Assigns.** The County and Professional each bind the other and their respective successors and assigns in all respects to all of the terms, conditions, covenants, and provisions of this Agreement.
19. **Independent Professional or Consultant.** In the performance of this Agreement, the Professional is acting in the capacity of an independent Professional or Consultant and not as an agent, employee, partner, joint venturer, or associate of the County. The Professional is solely responsible for the means, method, technique, sequence, and procedure utilized by the Professional in the full performance of the Agreement.
20. **Collusion.** By signing this Agreement, the Professional declares that this Agreement is made without any previous understanding, Agreement, or connections with any persons,

professionals or corporations and that this Agreement is fair, and made in good faith without any outside control, collusion, or fraud.

21. **Conflict of Interest.** The Professional warrants that neither it nor any of its employees have any financial or personal interest that conflicts with the execution of this Agreement. The Professional shall notify the County of any conflict of interest due to any other clients, contracts, or property interests.
22. **Prohibition Against Contingent Fees.** As required by §287.055(6), Florida Statutes, the Professional warrants that he or she has not employed or retained any company or person, other than a bona fide employee working solely for the Professional to solicit or secure this Agreement and that he or she has not paid or agreed to pay any person, company, corporation, individual, or firm, other than a bona fide employee working solely for the Professional any fee, commission, percentage, gift, or other consideration contingent upon or resulting from the award or making of this Agreement.
23. **Third Party Beneficiaries.** This Agreement does not create any relationship with, or any rights in favor of, any third party.
24. **Severability.** If any provision of this Agreement is declared void by a court of law, all other provisions will remain in full force and effect.
25. **Non Waiver.** The failure of any party to exercise any right in this Agreement shall not be considered a waiver of such right.
26. **Governing Law and Venue.** This Agreement is governed in accordance with the laws of the State of Florida. Venue shall be in Alachua County.
27. **Attachments.** All exhibits attached to this Agreement are incorporated into and made part of this Agreement by reference.
28. **Amendments.** The Parties may amend this Agreement only by mutual written agreement of the Parties.
29. **Captions and Section Headings.** Captions and section headings used herein are for convenience only and shall not be used in construing this Agreement.
30. **Counterparts.** This Agreement may be executed in any number of and by the different Parties hereto on separate counterparts, each of which when so executed shall be deemed to be an original, and such counterparts shall together constitute but one and the same instrument. Receipt via fax or email with pdf attachment by a party or its designated legal counsel of an executed counterpart of this Amendment shall constitute valid and sufficient delivery in order to complete execution and delivery of this Amendment and bind the Parties to the terms hereof.
31. **Construction.** This Agreement shall not be construed more strictly against one party than against the other merely by virtue of the fact that it may have been prepared by one of the

Parties. It is recognized that both Parties have substantially contributed to the preparation of this Agreement.

32. **Entire Agreement.** This Agreement, with the addition of the signed Audit Engagement Letters at **Exhibit "5"** constitutes the entire Agreement and supersedes all prior written or oral agreements, understandings, or representations. In the event of any inconsistency between this Agreement and the signed Audit Engagement Letters, the provision of this Agreement shall govern and control the rights and obligations of the Parties.

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IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed for the uses and purposes therein expressed on the day and year first above-written.

ALACHUA COUNTY, FLORIDA

By: [Signature]
Lee Pinkoson, Chair
Board of County Commissioners

Date: _____

ATTEST:

[Signature]
J.K. "Jess" Irby, Esq., Clerk
(SEAL)

APPROVED AS TO FORM

[Signature]
Alachua County Attorney's Office

ATTEST (By Corporate Officer)

By: _____
Print: _____
Title: _____

PROFESSIONAL

By: [Signature]
Print: Ronald D. Whitesides
Title: Partner
Date: 8/27/18

IF INCORPORATED PLEASE PROVIDE CORPORATE RESOLUTION LISTING THOSE AUTHORIZED TO EXECUTE CONTRACTS AND ATTEST (WITNESS) SIGNATURE BY A DESIGNATED OFFICER OF THE CORPORATION. IF NOT INCORPORATED, THEN SHOULD BE NOTARIZED. SAMPLE FORMATS FOR NOTARY ARE AVAILABLE ON THE INTRANET UNDER THE PURCHASING/PROCUREMENT SECTION

STATE OF FLORIDA
COUNTY OF ALACHUA

PERSONALLY APPEARED BEFORE ME, Ronald D. Whitesides, who after first being sworn by me, affixed his signature in the space provided above on this 27th day of August 2018.

[Signature]
Notary Public

My Commission Expires July 17, 2020



EXHIBIT 1: Scope of Services

1.0 **General Requirements:** The Professional will provide the following audit services, including but not limited to:

- 1.1 Provide an audit of the Alachua County Library District's Comprehensive Annual Financial Report and an audit of the Alachua County Board of County Commissioner's Comprehensive Annual Financial Report which includes the Board of County Commissioners, Clerk of Court, Supervisor of Elections, Tax Collector, Property Appraiser and Sheriff, as required by Florida Statutes. The audits should be conducted in accordance with auditing standards as generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.
- 1.2 Professional shall express an opinion on the fair presentation of the Library District's basic financial statements and also, an opinion on the fair presentation of Alachua County's basic financial statements in conformity with U.S. generally accepted accounting principles. The Professional will also have to express an opinion on the special purpose financial statements of the Clerk of the Court, Property Appraiser, Tax Collector, Sheriff and the Supervisor of Elections.
- 1.3 The Professional shall provide an "in-relation-to" report on the combining and individual fund financial statements and supporting schedules based on the auditing procedures applied during the audit of the County and Library's basic financial statements. The Professional shall be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.
- 1.4 The Professional shall provide an "in-relation-to" report on the schedule of federal and state financial assistance based on the auditing procedures applied during the audit of the financial statements.

2.0 **Reporting Entity**

- 2.1 Alachua County's Comprehensive Annual Financial Report presents the financial position and results of operations of the various fund types and the cash flow statement of the proprietary fund types for all funds controlled by the Board of County Commissioners and Constitutional Officers of Alachua County. The Clerk's Finance Department also prepares a Comprehensive Annual Financial Report (CAFR) for the Alachua County Library District and the report is subject to

the same audit services as the County's CAFR. Governmental accounting principles have been applied to define the reporting entities for Alachua County and Alachua County Library District.

- 2.2 The County's CAFR includes the financial data of the County's Component Units. Two Component Units are discreetly presented in the government-wide financial statements to emphasize their legal separation from the County. The following Component Units are included:

- 2.2.1 The John A. H. Murphree Law Library (Chapter 57-1118, Laws of Florida)
The Alachua County Housing Finance Authority (Chapter 159, Florida Statutes)

- 2.3 Related Organizations- The Alachua County Health Facilities Authority (Chapter 154.201, Florida Statutes) assists in financing health care facilities. The Alachua County Housing Authority (Section 421.27, Florida Statutes) assists in providing safe and sanitary dwelling accommodations to persons of low income.

- 3.0 **Auditing Standards to be Followed:** The professional shall conduct to meet the requirements of RFP# 19-84, the audit shall be performed in accordance with:

- 3.1 Auditing standards generally accepted in the United States of America, the standards for financial audits set forth in the publication entitled *Government Auditing Standards* issued by the Comptroller General of the United States, and the provisions of U.S. Office of Management and Budget (OMB) *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) (2 CFR Part 200).

- 3.2 *Rules of the Auditor General*, Chapter 10.550, Local Governmental Entity Audits Section 218.39, Florida Statutes and Section 215.97 Florida Statutes, Florida Single Audit Act and Sections 29.008 and 29.0085, Florida Statutes, regarding County funded court related functions **and any other required auditing standards that are or become applicable.**

- 3.3 **Items to be Issued by Professional (Auditor):**
Following the completion of the audit of each fiscal year's financial statements during the term of the contract for the Library District and Board of County Commissioners the Professional shall issue the following Independent Auditor's Reports:

- 3.3.1 A report on the fair presentation of the basic financial statements in conformity with generally accepted accounting principles.

- 3.3.2 A report on internal control over financial reporting and compliance with other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*.
- 3.3.3 A report on compliance requirements, applicable to each major federal program and major state project and the internal control over compliance in accordance with Uniform Guidance and the Rules of the Auditor General.
- 3.3.4 A report on the fair presentation of the Schedule of Restricted Cash and Equivalents of the Solid Waste System Fund to comply with "Rule 17-701.630" - *Florida Administrative Code*. (County only)
- 3.3.5 A report on the fair presentation of the Statement of Revenues and Expenditures and Allocation of Funds - Additional Court Costs to comply with Florida Statutes 29.0085. (County Only)
- 3.3.6 A "Management Letter" as required by Rules of the Auditor General Chapter 10.550, Local Governmental Entity Audits.
- 3.3.7 An Independent Accountant's Report on compliance with certain Florida Statutes (ie Investments) as required by the Rules of the Auditor General, Chapter 10.550.
- 3.3.8 A Data Collection form as required by Uniform Guidance.

4.0 **Other Considerations**

- 4.1 The staff of the Clerk's Finance Department will prepare the *Comprehensive Annual Financial Reports (CAFR)* for the County and Library District from information contained in computerized reports, generated by the County's accounting system. The County reserves the right to request the Professional to prepare the CAFR for the County and/or the Library District for an additional fee to be agreed upon by both Parties.
- 4.2 The Professionals will be responsible for the preparation and typing of the Financial Statements for the Clerk of the Circuit Court, Sheriff, Tax Collector, Property Appraiser, and the Supervisor of Elections.
 - 4.2.1 The County & Library District will send its *Comprehensive Annual Financial Reports* to the Government Finance Officers Association of the United States and Canada for review in its Certificate of Achievement for Excellence in Financial Reporting program. It is anticipated that the auditor will be required to provide special assistance to the County to meet the requirements of that program.

- 4.2.2 The County currently anticipates it will prepare one or more official statements in connection with the sale of debt securities which will contain the basic financial statements and the auditor's report thereon. The Professional shall be required, if requested by the County's Financial Advisor and/or the underwriter, to issue a "consent letter". Costs directly related to these issues will be negotiated as they arise.
- 4.2.3 The County is progressive in its attitude toward new accounting standards. Early implementation may be practiced when recommended. The Professional should be able to provide guidance and assist in the implementation of current changes in governmental accounting standards.
- 4.2.4 An engagement letter will be completed as part of the audit and will include the timing of audit procedures and a schedule of audit deliverables. The audit procedures and related audit reports will be completed in a timely manner to ensure the County & Library meet any deadlines for participation in the GFOA Certificate of Achievement Program.
- 4.2.5 Working Paper Retention and Access to Working Papers- All work papers and reports must be retained, at the Professional's expense, for a minimum of five (5) years after the conclusion of the contract, or as required by law, unless the firm is notified in writing by the Board of County Commissioners of the need to extend the retention period. The Professional will be required to make working papers available, upon request, to the following Parties or their designee:
 - 4.2.5.1 Successor auditor of Alachua County
 - 4.2.5.2 Corporation for National & Community Service
 - 4.2.5.3 U.S. Government Accountability Office
 - 4.2.5.4 Parties designated by the federal or state governments or by the County as part of an audit quality review process

5.0 **Fund Structure:** The County currently uses the following fund types and account groups, which can change from year to year in its financial reporting:

FUND TYPE/ACCOUNT GROUP	INDIVIDUAL FUNDS
General Fund (1 each for County & Library)	1
Special Revenue Funds <i>(Includes approximately 80 sub funds)</i>	22
Debt Service Funds <i>(Includes approximately 6 sub funds)</i>	1
Capital Projects Funds <i>(Includes approximately 28 sub funds)</i>	4
Permanent Fund	0
Enterprise Funds <i>(Includes approximately 4 sub funds)</i>	2
Internal Service Funds	6
Pension Trust Funds	1
Agency Funds	16

- 6.0 **Ability to meet Time Requirements:** The County will have all records ready for audit and all Clerk Finance Department personnel available to meet with the firm's personnel for final fieldwork by the 2nd week in November of each year. Final fieldwork for constitutional officers can start in October and final fieldwork for the BOCC can start any time after November 15th each year. The schedule for interim fieldwork is flexible and can commence when agreed upon by both Parties each year. The audit schedule will be structured to ensure the County & Library audits are completed in time for both governments to file for the Government Finance Officers Association's Certificate of Achievement for Excellent in Financial Reporting Program, which the current deadline is March 31st each year.

7.0 Planning, Progress and Audit Exit Conferences:

- 7.1 An entrance meeting will be held with the Assistant Clerk/Finance Director prior to commencing audit work. The purpose of this meeting will be to discuss the interim work to be performed and to establish an overall liaison for the audit and to make arrangements for work space and other needs of the Professional.
- 7.2 A bi-weekly progress meeting will be scheduled with the Finance Director and key personnel, including audit manager and/or managing audit partner.
- 7.3 Exit Conferences will be held for each audited entity at the conclusion of each audit. The purpose of this meeting will be to summarize the results of field work and to review any potential findings prior to presenting to each governing board.

EXHIBIT 2: Duties Of The County

1. County management is responsible for:

1.1. designing, implementing, and maintaining effective internal controls, including internal controls over federal awards and state financial assistance, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met;

1.2. following laws and regulations;

1.3. ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and

1.4. ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. County management is also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards and state financial assistance, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal and state statutes) and the provisions of contracts and grant agreements (including award agreements). County responsibilities also include identifying significant Professional relationships in which the Professional has responsibility for program compliance and for the accuracy and completeness of that information.

2. County management is also responsible for making all financial records and related information available to Professional and for the accuracy and completeness of that information. County is also responsible for providing:

2.1. access to all information of which county is aware that is relevant to the preparation and fair presentation of the financial statements,

2.2. access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*,

2.3. additional information that Professional may request for the purpose of the audit, and

- 2.4. unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.
3. County responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements as a whole.
4. County is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing Professional about all known or suspected fraud affecting the government involving:
 - 4.1. management,
 - 4.2. employees who have significant roles in internal control, and
 - 4.3. others where the fraud could have a material effect on the financial statements. County responsibilities include informing Professional of County's knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, County is responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely any appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that Professional reports. Additionally, as required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, it is management's responsibility to evaluate and monitor noncompliance with federal and state statutes, regulations, and the terms and conditions of federal awards and state financial assistance; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings, if any, should be available for Professional's review upon commencement of fieldwork each year.
5. County is responsible for identifying all federal awards and state financial assistance received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards and state financial assistance (including notes and noncash assistance received) in conformity with the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*. County agrees to include Professional's report on the schedule of expenditures of federal awards and state financial assistance in any document that contains and indicates that Professional has reported on the schedule of

expenditures of federal awards and state financial assistance. County also agrees to include the audited financial statements with any presentation of the schedule of expenditures of federal awards and state financial assistance that includes Professional's report thereon. County's responsibilities include acknowledging to Professional in the written representation letter that:

- 5.1. County is responsible for presentation of the schedule of expenditures of federal awards and state financial assistance in accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*;
 - 5.2. County believes the schedule of expenditures of federal awards and state financial assistance, including its form and content, is stated fairly in accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*;
 - 5.3. the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and
 - 5.4. County has disclosed to Professional any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards and state financial assistance.
6. County is also responsible for the preparation of the other supplementary information, which Professional has been engaged to report on, in conformity with U.S. generally accepted accounting principles. County agrees to include Professional's report on the supplementary information in any document that contains, and indicates that Professional has reported on, the supplementary information. County also agrees to include the audited financial statements with any presentation of the supplementary information that includes Professional's report thereon. County's responsibilities include acknowledging to Professional in the written representation letter that:
- 6.1. County is responsible for presentation of the supplementary information in accordance with GAAP;
 - 6.2. County believes the supplementary information, including its form and content, is fairly presented in accordance with GAAP;
 - 6.3. the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and
 - 6.4. County has disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

7. County management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. County management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the audit objectives of Professional. This responsibility includes relaying to Professional corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. County is also responsible for providing management's views on Professional's current findings, conclusions, and recommendations, as well as the County's planned corrective actions, for the report, and for the timing and format for providing that information.
8. County agrees to assume all management responsibilities relating to the financial statements, and related notes, and any other nonaudit services Professional provides. County will be required to acknowledge in the management representation letter Professional's assistance with preparation of the financial statements, and related notes and that County management has reviewed and approved the financial statements, and related notes prior to their issuance and have accepted responsibility for them. Further, County agrees to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.
9. County understands that county staff will prepare all cash, accounts receivable, or other confirmations Professional requests and will locate any documents required by the Professional.

EXHIBIT 3: Insurance Requirements

TYPE "B" INSURANCE REQUIREMENTS "Professional or Consulting Services"

Professional shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Professional, his agents, representatives, employees or subProfessionals.

I. COMMERCIAL GENERAL LIABILITY.

Coverage must be afforded under a per occurrence form policy for limits not less than \$1,000,000 General Aggregate, \$1,000,000 Products / Completed Operations Aggregate, \$1,000,000 Personal and Advertising Injury Liability, \$1,000,000 each Occurrence, \$50,000 Fire Damage Liability and \$5,000 Medical Expense.

II. AUTOMOBILE LIABILITY.

Coverage must be afforded including coverage for all Owned vehicles, Hired and Non-Owned vehicles for Bodily Injury and Property Damage of not less than \$1,000,000 combined single limit each accident.

III. WORKERS COMPENSATION AND EMPLOYER'S LIABILITY.

- A Coverage to apply for all employees at STATUTORY Limits in compliance with applicable state and federal laws; if any operations are to be undertaken on or about navigable waters, coverage must be included for the USA Longshoremen & Harbor Workers Act.
- B Employer's Liability limits for not less than \$100,000 each accident; \$500,000 disease policy limit and \$100,000 disease each employee must be included.

IV. PROFESSIONAL LIABILITY or ERRORS AND OMISSIONS LIABILITY (E&O).

Professional (E&O) Liability must be afforded for not less than \$1,000,000 each claim, \$1,000,000 policy aggregate

V. OTHER INSURANCE PROVISIONS.

- A The policies are to contain, or be endorsed to contain, the following provisions:
- B Commercial General Liability and Automobile Liability Coverages
 - 1 The Alachua County Board of County Commissioners, its officials, employees and volunteers are to be covered as an Additional Insured as respects: Liability arising out of activities performed by or on behalf of the Professional; products and completed operations of the Professional; or automobiles owned, leased, hired or borrowed by the Professional.
 - 2 The Professional's insurance coverage shall be considered primary insurance as respects the County, its officials, employees and volunteers. Any insurance or self-insurance maintained by the County, its officials, employees or volunteers shall be excess of Professional's insurance and shall be non-contributory.
- C All Coverages
 - 1 The Professional shall provide a Certificate of Insurance to the County with a notice of cancellation. The certificate shall indicate if cover is provided under a "claims made" or "per occurrence" form. If any cover is provided under claims made from the certificate will show a retroactive date, which should be the same date of the contract (original if contact is renewed) or prior.

VI. SUBCONTRACTORS

Professionals shall include all subcontractors as insured under its policies. All subcontractors shall be subject to the requirements stated herein.

CERTIFICATE HOLDER:

Alachua County Board of County Commissioners



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

9/5/2018

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

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

PRODUCER McGriff-Williams Insurance 3501-A W. University Ave Gainesville FL 32607	CONTACT NAME: PHONE (A/C, No, Ext): 352-371-7977 FAX (A/C, No): 352-505-2083 E-MAIL: mwi@mcgriffwilliams.com ADDRESS:														
INSURED Purvis Gray & Co., LLP and Purvis Gray Tech. Group LLC PO Box 141270 Gainesville FL 32614	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: left;">INSURER(S) AFFORDING COVERAGE</th> <th style="text-align: left;">NAIC #</th> </tr> <tr> <td>INSURER A: Allied Property and Casualty</td> <td>42579</td> </tr> <tr> <td>INSURER B: Depositors Insurance</td> <td>42587</td> </tr> <tr> <td>INSURER C: QBE Specialty</td> <td></td> </tr> <tr> <td>INSURER D:</td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> </tr> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: Allied Property and Casualty	42579	INSURER B: Depositors Insurance	42587	INSURER C: QBE Specialty		INSURER D:		INSURER E:		INSURER F:	
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INSURER C: QBE Specialty															
INSURER D:															
INSURER E:															
INSURER F:															

COVERAGES

CERTIFICATE NUMBER: 1087446174

REVISION NUMBER:

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	Y	Y	ACBP0C5965521854	5/31/2018	5/31/2019	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
A	<input type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			ACBP0C5965521854	5/31/2018	5/31/2019	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$			ACPCAP5965521854	5/31/2018	5/31/2019	EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000 \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input type="checkbox"/> Y <input checked="" type="checkbox"/> N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	ACPWCD5965521854	5/31/2018	5/31/2019	<input type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
A C	Employee Dishonesty Bond Professional			BDC7900387274 JCG01943-02	5/31/2018 9/21/2017	5/31/2019 9/21/2018	\$500,000 \$2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
 Alachua County Board of County Commissioners are listed as an additional insured

CERTIFICATE HOLDER

CANCELLATION

Alachua County, Florida c/o Todd Hutchinson, Director of Finance
 12 SW 1st Street
 Gainesville FL 32601

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

[Signature]

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EXHIBIT 4: Certification of Meeting Alachua County Wage Ordinance

The undersigned certifies that all employees, contracted and subcontracted, completing services as part of this Agreement are paid, and will continue to be paid, in accordance with Chapter 22, Article III of the Alachua County Code of Ordinance ("Wage Ordinance").

Corporate Name: Purvis Gray & Company, LLP
Address 222 NE 1st Street
City/State/Zip Gainesville FL 32601
Phone Number 352-378-2461
Point of Contact _____ Ron Whitesides

Audit Description: Financial audits of BoCC, Library District and Constitutional Officers

PROFESSIONAL

ATTEST (By Corporate Officer)

By: _____

Print: _____

Title: _____

By: Ron

Print: Ronald D. Whitesides

Title: Partner

Date: 8/27/18

MUST BE ATTESTED (WITNESSED) BY A DESIGNATED OFFICER OF THE CORPORATION. IF NOT INCORPORATED, THEN SHOULD BE NOTARIZED. SAMPLE FORMATS FOR NOTARY ARE AVAILABLE ON THE INTRANET UNDER THE PURCHASING/PROCUREMENT SECTION

**STATE OF FLORIDA
COUNTY OF ALACHUA**

PERSONALLY APPEARED BEFORE ME, Ronald D. Whitesides, who after first being sworn by me, affixed his signature in the space provided above on this 27th day of August 2018.

April Metla
Notary Public

My Commission Expires July 17, 2020

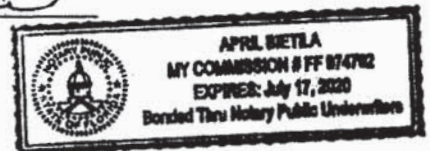


EXHIBIT 5: AUDIT ENGAGEMENT LETTERS FOR ALACHUA COUNTY BOARD OF COUNTY COMMISSIONERS AND LIBRARY DISTRICT

July 23, 2018

AUDIT ENGAGEMENT LETTER

To the Board of County Commissioners
and Management
Alachua County, Florida
c/o Todd Hutchison, Director of Finance
12 SE 1st Street
Gainesville, Florida 32601

We are pleased to confirm our understanding of the services we are to provide Alachua County, Florida (the County) for the years ended September 30, 2018 through 2022, with the option to extend for up to two additional three-year periods.

We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of the County as of and for the years ended September 30, 2018 through 2022, with the option to extend for up to two additional three-year periods. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the County's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the County's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis
- 2) Budgetary Comparison Schedule – General Fund and Major Special Revenue Funds
- 3) Pension and OPEB Schedules

We have also been engaged to report on supplementary information other than RSI that accompanies the County's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditors' report on the financial statements:

Certified Public Accountants

P.O. Box 141270 • 222 N.E. 1st Street • Gainesville, Florida 32614-1270 • (352) 378-2461 • FAX (352) 378-2505
Laurel Ridge Professional Center • 2347 S.E. 17th Street • Ocala, Florida 34471 • (352) 732-3872 • FAX (352) 732-0542
443 East College Avenue • Tallahassee, Florida 32301 • (850) 224-7144 • FAX (850) 224-1762
5001 Lakewood Ranch Blvd. N., Suite 101 • Sarasota, Florida 34240 • (941) 907-0350 • FAX (941) 907-0309
MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

To the Board of County Commissioners
and Management
Alachua County, Florida
c/o Todd Hutchinson, Director of Finance
Gainesville, Florida

-2-

July 23, 2018

- 1) Combining and Individual Fund Statements and Schedules
- 2) Schedule of Expenditures of Federal Awards and State Financial Assistance

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditors' report will not provide an opinion or any assurance on that other information:

- 1) Introductory Section
- 2) Statistical Section

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the third paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on:

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major federal programs and/or state projects, and an opinion (or disclaimer of opinion) on compliance with federal and/or state statutes, regulations, and the terms and conditions of federal awards and state financial assistance that could have a direct and material effect on each major program/project in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and/or the *Florida Single Audit Act* and Chapter 10.550, *Rules of the Auditor General* of the State of Florida.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that: (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance and Chapter 10.550, *Rules of the Auditor General* report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; the provisions of the Uniform Guidance; the *Florida Single Audit Act*; and Chapter 10.550, *Rules of the Auditor General*, and will include tests of accounting records, a determination of major programs/projects in accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit.

To the Board of County Commissioners
and Management
Alachua County, Florida
c/o Todd Hutchinson, Director of Finance
Gainesville, Florida

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July 23, 2018

Audit Objectives (Concluded)

Our reports will be addressed to the Honorable Board of County Commissioners and Constitutional Officers. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from: (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs/projects. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards and state financial assistance; federal award programs and state projects; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

To the Board of County Commissioners
and Management
Alachua County, Florida
c/o Todd Hutchinson, Director of Finance
Gainesville, Florida

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July 23, 2018

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program and/or state project. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, *Rules of the Auditor General*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the County's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance and Chapter 10.550, *Rules of the Auditor General* require that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal and state statutes, regulations, and the terms and conditions of federal awards and state financial assistance applicable to major programs/projects. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* and the *Florida State Projects Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of County's major programs/projects. The purpose of these procedures will be to express an opinion on the County's compliance with requirements applicable to each of its major programs/projects in our report on compliance issued pursuant to the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*.

Other Services

If requested by you, we may also assist in preparing the financial statements, and related notes of the County in conformity with U.S. generally accepted accounting principles and the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General* based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, and related notes services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

To the Board of County Commissioners
and Management
Alachua County, Florida
c/o Todd Hutchinson, Director of Finance
Gainesville, Florida

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July 23, 2018

Management Responsibilities

Management is responsible for: (1) designing, implementing, and maintaining effective internal controls, including internal controls over federal awards and state financial assistance, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards and state financial assistance, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal and state statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with: (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving: (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, it is management's responsibility to evaluate and monitor noncompliance with federal and state statutes, regulations, and the terms and conditions of federal awards and state financial assistance; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings, if any, should be available for our review upon commencement of fieldwork each year.

To the Board of County Commissioners
and Management
Alachua County, Florida
c/o Todd Hutchinson, Director of Finance
Gainesville, Florida

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July 23, 2018

Management Responsibilities (Continued)

You are responsible for identifying all federal awards and state financial assistance received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards and state financial assistance (including notes and noncash assistance received) in conformity with the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*. You agree to include our report on the schedule of expenditures of federal awards and state financial assistance in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards and state financial assistance. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards and state financial assistance that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that: (1) you are responsible for presentation of the schedule of expenditures of federal awards and state financial assistance in accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*; (2) you believe the schedule of expenditures of federal awards and state financial assistance, including its form and content, is stated fairly in accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards and state financial assistance.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that: (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

To the Board of County Commissioners
and Management
Alachua County, Florida
c/o Todd Hutchinson, Director of Finance
Gainesville, Florida

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July 23, 2018

Management Responsibilities (Concluded)

You agree to assume all management responsibilities relating to the financial statements, and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, and related notes and that you have reviewed and approved the financial statements, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards and state financial assistance, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditors' reports or nine months after the end of the audit period.

We will provide copies of our reports to the County; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Purvis, Gray and Company, LLP, and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to your oversight grantor agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Purvis, Gray and Company, LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by your oversight agency or pass-through entity. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit in August and to issue our reports no later than March 31 each year. Ronald D. Whitesides is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

To the Board of County Commissioners
and Management
Alachua County, Florida
c/o Todd Hutchinson, Director of Finance
Gainesville, Florida

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July 23, 2018

Engagement Administration, Fees, and Other (Concluded)

Our fee for these services will be \$175,000 for the year ended September 30, 2018, with annual increases of 3% from the previous year's fee thereafter. This fee also covers the annual Alachua County Library District audit. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to the County and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

PURVIS, GRAY AND COMPANY, LLP



Ronald D. Whitesides, C.P.A.
Audit Partner

RDW/cac
Enclosure

RESPONSE

This letter correctly sets forth the understanding of Alachua County, Florida.

ALACHUA COUNTY, FLORIDA

By: 

Lee Pinkoson, Chair
Board of County Commissioners

Date: _____

ATTEST: 

J.K. "Jess" Irby, Esq., Clerk

APPROVED AS TO FORM


Alachua County Attorney's Office



July 23, 2018

AUDIT ENGAGEMENT LETTER

To the Governing Board
Alachua County Library District
c/o Todd Hutchison, Director of Finance
12 SE 1st Street
Gainesville, Florida 32601

We are pleased to confirm our understanding of the services we are to provide the Alachua County Library District (the District) for the years ended September 30, 2018 through 2022, with the option to extend for up to two additional three-year periods.

We will audit the financial statements of the governmental activities, each major fund, and the aggregate discretely presented component unit and remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of the District as of and for the years ended September 30, 2018 through 2022, with the option to extend for up to two additional three-year periods. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the District's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis
- 2) Budgetary Comparison Schedule – General Fund and Major Special Revenue Funds
- 3) Pension and OPEB Schedules

We have also been engaged to report on supplementary information other than RSI that accompanies the District's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditors' report on the financial statements:

Certified Public Accountants

P.O. Box 141270 • 222 N.E. 1st Street • Gainesville, Florida 32614-1270 • (352) 378-2461 • FAX (352) 378-2505
Laurel Ridge Professional Center • 2347 S.E. 17th Street • Ocala, Florida 34471 • (352) 732-3872 • FAX (352) 732-0542 •
443 East College Avenue • Tallahassee, Florida 32301 • (850) 224-7144 • FAX (850) 224-1762
5001 Lakewood Ranch Blvd. N., Suite 101 • Sarasota, Florida 34240 • (941) 907-0350 • FAX (941) 907-0309

MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

To the Governing Board
Alachua County Library District
c/o Todd Hutchinson, Director of Finance
Gainesville, Florida

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July 23, 2018

- 1) Combining and Individual Fund Statements and Schedules
- 2) Schedule of Expenditures of Federal Awards and State Financial Assistance, if applicable.

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditors' report will not provide an opinion or any assurance on that other information:

- 1) Introductory Section
- 2) Statistical Section

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the third paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on:

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major federal programs and/or state projects, and an opinion (or disclaimer of opinion) on compliance with federal and/or state statutes, regulations, and the terms and conditions of federal awards and state financial assistance that could have a direct and material effect on each major program/project in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and/or the *Florida Single Audit Act* and Chapter 10.550, *Rules of the Auditor General* of the State of Florida.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that: (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance and Chapter 10.550, *Rules of the Auditor General* report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; the provisions of the Uniform Guidance; the *Florida Single Audit Act*; and Chapter 10.550, *Rules of the Auditor General*, and will include tests of accounting records, a determination of major programs/projects in accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit.

To the Governing Board
Alachua County Library District
c/o Todd Hutchinson, Director of Finance
Gainesville, Florida

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July 23, 2018

Audit Objectives (Concluded)

Our reports will be addressed to the Governing Board. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from: (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs/projects. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards and state financial assistance; federal award programs and state projects; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

To the Governing Board
Alachua County Library District
c/o Todd Hutchinson, Director of Finance
Gainesville, Florida

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July 23, 2018

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program and/or state project. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, *Rules of the Auditor General*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance and Chapter 10.550, *Rules of the Auditor General* require that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal and state statutes, regulations, and the terms and conditions of federal awards and state financial assistance applicable to major programs/projects. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* and the *Florida State Projects Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of District's major programs/projects. The purpose of these procedures will be to express an opinion on the District's compliance with requirements applicable to each of its major programs/projects in our report on compliance issued pursuant to the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*.

Other Services

If requested by you, we may also assist in preparing the financial statements, and related notes of the District in conformity with U.S. generally accepted accounting principles and the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General* based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, and related notes services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

To the Governing Board
Alachua County Library District
c/o Todd Hutchinson, Director of Finance
Gainesville, Florida

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July 23, 2018

Management Responsibilities

Management is responsible for: (1) designing, implementing, and maintaining effective internal controls, including internal controls over federal awards and state financial assistance, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards and state financial assistance, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal and state statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with: (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving: (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, it is management's responsibility to evaluate and monitor noncompliance with federal and state statutes, regulations, and the terms and conditions of federal awards and state financial assistance; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings, if any, should be available for our review upon commencement of fieldwork each year.

To the Governing Board
Alachua County Library District
c/o Todd Hutchinson, Director of Finance
Gainesville, Florida

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July 23, 2018

Management Responsibilities (Continued)

You are responsible for identifying all federal awards and state financial assistance received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards and state financial assistance (including notes and noncash assistance received) in conformity with the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*. You agree to include our report on the schedule of expenditures of federal awards and state financial assistance in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards and state financial assistance. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards and state financial assistance that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that: (1) you are responsible for presentation of the schedule of expenditures of federal awards and state financial assistance in accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*; (2) you believe the schedule of expenditures of federal awards and state financial assistance, including its form and content, is stated fairly in accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards and state financial assistance.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that: (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

To the Governing Board
Alachua County Library District
c/o Todd Hutchinson, Director of Finance
Gainesville, Florida

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July 23, 2018

Management Responsibilities (Concluded)

You agree to assume all management responsibilities relating to the financial statements, and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, and related notes and that you have reviewed and approved the financial statements, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards and state financial assistance, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditors' reports or nine months after the end of the audit period.

We will provide copies of our reports to the District; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Purvis, Gray and Company, LLP, and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to your oversight grantor agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Purvis, Gray and Company, LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by your oversight agency or pass-through entity. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit in August and to issue our reports no later than March 31 each year. Ronald D. Whitesides is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

To the Governing Board
Alachua County Library District
c/o Todd Hutchinson, Director of Finance
Gainesville, Florida

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July 23, 2018

Engagement Administration, Fees, and Other (Concluded)

Our fee for these services is addressed in the Alachua County engagement letter dated July 23, 2018. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to the District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

PURVIS, GRAY AND COMPANY, LLP



Ronald D. Whitesides, C.P.A.
Audit Partner

RDW/cac
Enclosure

RESPONSE

This letter correctly sets forth the understanding of Alachua County Library District.

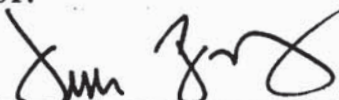
**ALACHUA COUNTY LIBRARY
DISTRICT BOARD OF GOVERNORS**

By: 

Chair - Ken Cornell

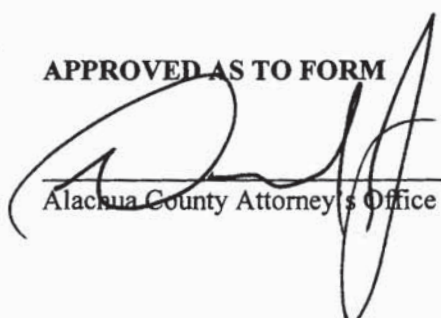
Date: September 19, 2018

ATTEST:



J.K. "Jess" Irby, Esq., Clerk

APPROVED AS TO FORM


Alachua County Attorney's Office