



**AUDITOR SELECTION COMMITTEE  
ZEPHYRHILLS, FLORIDA**

**Wednesday, July 30, 2025  
11:00 AM**

Please join the GoToMeeting  
from your computer, tablet or smartphone:

<https://meet.goto.com/855960693>

**or dial in using your phone:**

**+1 (646) 749-3122- Access Code: 855-960-693**

(Please mute your phone unless you wish to speak on a specific item)

**Zephyrhills  
City Hall**

**Council  
Chambers**

Call to Order — Finance Director Ted Beason

Roll Call — Assistant City Clerk Eileen Mercado

1 Members: Amy Chappell, Mike Ward, Ken Burgess

**1. COMMITTEE ITEMS**

1.1 Review, modify, if necessary the scope and evaluation criteria of the RFP for auditing services

1. RFP Scope

1.2 Set dates to review proposals — September 9, 10 or 11th.  
Possible firm interview dates September 16, 17, 18

**CITIZEN COMMENTS**

**ADJOURN**

**\* PLEASE NOTE: This is a Public Meeting. Should any interested party seek to appeal any decision made by the Council with respect to any matter considered at such meeting or**

**hearing, he or she will need a record of the proceedings, and that, for such purpose, he or she may need to ensure that a verbatim record of the proceeding is made, which record includes the testimony and evidence upon which the appeal is to be based. F.S. 286.0105. If you are a person with a disability which requires reasonable accommodation in order to participate in this meeting, please contact the City Clerk at 813/780-0000 at least 48 hours prior to the public hearing. A.D.A. and F.S. 286.26.**

## **COMMITTEE ITEMS 1.1**

Review, modify, if necessary the scope and evaluation criteria of the RFP for auditing services

### **Issue:**

#### **RFP Scope**

### **3. SCOPE OF WORK**

#### **3.1. INTRODUCTION**

The City of Zephyrhills (The City) is seeking the services of a certified professional accounting firm (Firm) to review, evaluate, and provide audit services, risk assessment, and annual financial audits of the City's accounts and records in accordance with Chapter 218.391, Florida State Statutes, and governmental auditing standards as adopted by the Florida Board of Accountancy. The selected Firm shall issue an opinion of the fair presentation of the City's financial statements in conformity with generally accepted accounting principles, beginning with the fiscal year ending September 30, 2025. It is the intent of the City to continue these services with the selected Firm for the fiscal year periods ending September 30, 2026, September 30, 2027, with a potential of two (1) one-year extension options.

Certified Public Accounting (CPA): The Firm shall be a certified public accounting firm duly licensed under F.S. Chapter 473 and qualified in accordance with Florida State Statute 218.391 as described in Section 3(a) to conduct annual financial audits of its accounts and records in accordance with the government auditing standards as adopted by the Florida Board of Accountancy and have been in business for a minimum of five (5) years.

Proposals must be from a single CPA firm capable of providing all required services. No sub-contracting or joint venture will be considered.

### **Background:**

#### **3.2. AUDITING STANDARDS**

The audit services shall be performed in accordance with auditing standards, and procedures recommended by the American Institute of Certified Public Accountants, the standards for financial audits set forth in the U.S. General Accounting Officer's Government Auditing Standards, the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, "Audits of State, Local Governments and Non-Profit Organizations", Florida Statute 215.97 Florida Single Audit Act, and the rules of the State of Florida Auditor General. The auditor shall use financial condition assessment procedures to assist in detection of deteriorating financial condition as established under Florida Statute 218.503, and any other applicable rules or regulations.

### **Attachment(s):**

1. RFP Scope

**Fiscal Impact:**

N/A

**Staff Recommendation:**

N/A

### **3.3. GENERAL**

The following tasks and deliverables are required of the selected Firm:

The Firm shall perform an annual examination of the City's financial statements for the purpose of expressing an opinion on the fairness with which the statements present the financial positions, results of operations, and changes in the City's financial position. The opinion shall reference the examination of the City's governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information.

The Firm shall audit the City's government-wide, and combined statements for all fund types including major and non-major funds. The Firm is to provide an "in-relation-to" report on the supporting schedules and required supplementary information based on the auditing procedures applied during the audit of the general-purpose financial statements. Furthermore, the auditor shall audit and 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.

The Firm shall evaluate the City's internal management and operational controls to ensure efficiency, reliability and compliance with laws and regulations, and to assess the City's control risk. Significant deficiencies and material weaknesses shall be communicated with the appropriate level of management before it is included in a separate letter (referred to as Management Letter) to the City Council.

The Firm shall provide the City staff with continuing professional education that includes current industry changes, regulations, and best practices.

The Firm is not required to audit the statistical section of the report if the City adds a statistical section; however, the Firm is responsible for performing certain limited procedures involving supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards. While the City has not in the past submitted the ACFR to the GFOA for the Certificate of Achievement in Financial Reporting, it could choose to do so at any point during the length of the engagement. The scope of the audit shall include any additional activities necessary to establish compliance with the term "financial audit" as defined and used in Government Auditing Standards.

### **3.4. SPECIALITY AUDITS**

The Firm shall perform a separate financial audit for the City's five (5) Community Redevelopment Agency's (CRA) pursuant to F.S. 163.387 and provide an opinion in

accordance with generally acceptable auditing standards. The cost for this audit should be bid separately.

Should the City choose to audit the financial operation of the SVB Tennis Center (less than \$2,000,000 in annual revenue), the firm is expected to perform the audit. A copy of the 2022 audit is available for review.

The City has two Subscription-Based Information Technology Arrangements (SBITA) and 14 leases. The Firm should have the necessary expertise to assist the City in complying GASB 96 and 87, including be able to recommend software or cloud-based solutions.

### **3.5. REPORTS**

Following completion of the audit of the fiscal year financial statements, the Firm shall issue the following reports regarding the financial statements of the City.

- A report on the basic financial statements. This report must include, at a minimum:
  - A statement as to whether the financial statements are presented fairly in accordance with generally accepted accounting principles.
  - An expression of opinion regarding the financial statements taken as a whole, or an assertion to the effect that an opinion cannot be expressed including the reasons; therefore, and
  - A statement that the audit was conducted in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller of the United States.
- A report on compliance and internal control over financial reporting based on auditors' understanding and assessment of control risk.
- A report on compliance and internal control over compliance applicable to each major federal program and state project.
- A management letter as required by Florida Statutes 218.39 and 215.97 and Rules of the Auditor General, Chapter 10.550 which shall identify any management weaknesses observed, assess their effect on financial management and propose steps to correct or eliminate those weaknesses.
- Data Collection Form to the Federal Audit Clearinghouse (SF-SAC) as required by OMB Circular A-133.

- Other reports required by the Federal Single Audit Act and the Florida Single Audit Act including:
  - An “in-relation-to” report on the Schedule of Expenditures of Federal Awards and State Financial Assistance; and
  - A separate schedule of findings and questioned costs, including a summary of audit results related to financial statements, internal controls, and compliance.
- In the required reports on internal controls, the Firm shall communicate any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficient in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions that are also material weaknesses shall be identified as such in the report.
- Non-reportable conditions discovered by the Firm shall be included in the ACFR and reported as an appendix to the Management Letter. The reports on compliance shall include all instances of noncompliance.
- Firm shall provide the City with information relating to regulation changes affecting the City and its operations, such as changes proposed by GASB, FASB, or GAO.
- Irregularities and Illegal Acts—The auditor shall make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the following parties: Mayor, City Manager, Chief Financial Officer, or the City Commission as appropriate.
- The Firm shall provide the City with one (1) original set of all financial statements, including footnotes and other required disclosures for the Annual Comprehensive Financial Report (ACFR). The City will be responsible for the preparation of Management’s Discussion and Analysis, and, at the city staff’s option, the statistical section of the report, which will be incorporated by the Firm in the report.
- Annual Financial Report (AFR) to the State of Florida Chief Financial Officer Department of Financial Services.

### **3.6. AUDIT SCHEDULE**

Timeliness is critical in the performance of the annual audit. The Firm shall coordinate with the Chief Financial Officer (or designee) and endeavor to accomplish the audit in a phased

approach throughout the year to reduce the year-end workload on both the Firm and City staff. The City will make the necessary records available to the Firm throughout the year to assist in this regard.

It is anticipated that each of the following tasks be completed no later than the dates indicated, however dates may be changed if mutually agreed upon by both parties.

- The Firm shall provide the Chief Financial Officer with a list of all schedules to be prepared by the City no later than October 15.
- The schedules will be prepared by the City and will be made available to the Firm no later than December 15 with the exception of external entities.
- The Firm shall complete all fieldwork, including that required by the single audit, no later than January 31.
- The Firm shall report to the City at least bi-weekly the status of any potential audit adjustments so that the City may have adequate opportunity to investigate, gather information and respond if necessary.
- The Firm shall deliver to the City, in draft form, all required reports no later than February 28, provided that the City has supplied the OPEB actuarial valuation report by this time.
- Responses to management letter comments and single audit findings will be prepared by the City and returned to the Firm for review no later than March 7.
- All final required reports shall be delivered to the City no later than March 16.
- Twelve (12) bound copies of each report shall be provided to the City, along with one (1) unbound copy, and one (1) final report printed to PDF.

### **3.7. PRESENTATION TO CITY COMMISSION**

The Firm partner in charge of the audit and/or the audit manager or other CPA assigned to the audit shall attend one or more public meetings, as deemed necessary by the City Commission, for discussion of the audit report.

### **3.8. ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)**

The City will issue a bound Annual Comprehensive Financial Report (ACFR) following the completion of the audit of the fiscal year's financial statements.

The City may send its ACFR to the Government Finance Officers Association of the United States and Canada to review in its "Certificate of Achievement for Excellence" in Financial Reporting program.

The schedule of federal and state financial assistance and related audit, as well as on the internal control structure and compliance, are to be issued as part of the comprehensive annual financial report.

The City will require the Firm's overall evaluation of the efficiency and adequacy of accounting and assistance with the implementation of any new GASB statements.

The Firm will produce based on data provided by City staff the following sections of the ACFR:

- Introductory section
- Financial section
  - Management's discussion and analysis
  - Basic financial statement
    - Government-wide financial statements
    - Fund financial statements.
    - Notes to financial statements
  - Required supplemental information.
  - Individual fund statements and schedules
- Statistical section
  - GASB requirements
  - Secondary Market disclosure
- Compliance section
  - List of federal and state awards
  - Impact Fee Affidavit

The Firm will provide for inclusion in the ACFR:

- Independent Auditors' Report of Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards
- Schedule of Findings and Questioned Cost
- Summary Schedule of Prior Audit Findings
- Managements Response to Audit Findings
- Independent Auditors' Report on Compliance for Each Major Federal Program and Report 011
- Internal Control over Compliance in Accordance with the Uniform Guidance.
- Independent Auditor's Management Letter Required by Office of Auditor General
- Independent Accountants' Examination Report.

### **3.9. ADDITIONAL SERVICES**

The City may issue one or more official statements for the sale of bonds during the term of the contract. The official statement will contain the basic financial statements or an extraction from the Annual Comprehensive Financial Report. The Firm shall be required to issue, upon request, a consent and citation of expertise as auditor, “comfort letters” and other documents necessary to issue the bonds. Unless significant additional staff time is required of the auditor, fees for such requests made by the City shall be included in the base fee submitted by the City.

### **3.10. RETENTION AND ACCESS TO WORKING PAPERS**

- The work papers will be the property of the Firm and shall be held for a period of six years. Work papers shall be available for examination or duplication, without charge, to authorized City personnel, representatives of Federal or State Agencies upon request of that Agency or The City of Zephyrhills in accordance with Federal Law, State Law, and other regulations. Working papers shall also be made available for examination, at no charge, or duplication at a reasonable charge, to subsequent auditors engaged by the City.
- The Firm shall notify the City immediately if any regulatory or other government agencies request a review of the audit work papers concerning the City or any other government client audited by the Firm.

### **3.11. OTHER REQUIREMENTS**

- The Firm shall notify the City immediately should any disciplinary actions be taken, or complaints filed with any regulatory bodies against any of the Firm’s staff or the Firm itself.
- The Firm shall make an immediate written report of all irregularities and illegal acts.
- The Firm must designate two (2) “key members” of the audit team. The Firm shall reserve the right to approve any substitutions or changes in those staff designated as “key”.
- The Firm shall provide the City with a copy of each external quality control review report and letters of comment for each review conducted during the time engaged by the City.

### **3.12. INFORMATION TO BE PROVIDED BY THE CITY**

The City will provide information to assist the Firm in performing the annual audit including but not limited to:

- General Ledger/Trial Balance printouts on September 30 and any other time periods requested by auditor. The City’s ERP is Tyler Munis.
- Statements of Revenues and Expenditures, Estimated vs. Actual Revenues, and Expenditures vs. Appropriations as of September 30 and any other time periods requested by Firm.
- Electronic file containing end of year general ledger, revenue and expenditure balances for all accounts in the City’s accounting system for download into audit software.
- Confirmation letters.
- Paid invoices, canceled checks, and other supporting documentation as requested by the Firm.
- Other information requested by the Firm and mutually agreed upon.
- It would be favorable if the City provides an “auditor” credentials to Tyler Munis so that purchase orders, invoices, and checks can be electronically copied to the firm’s computer system.

## 5. EVALUATION CRITERIA

*The proposed evaluation is an initial process to elicit a short list of Proposers; with the contract awarded not necessarily to the consultant of least cost, but rather to the consultant with the best combination of attributes (i.e., qualifications and experience, technical approach, and cost), based upon the evaluation factors specifically established for this solicitation.*

*The weighted evaluation criteria in the **EVALUATION CRITERIA** will be used to evaluate Offers and develop a recommendation to the City Council. Each criterion will be scored between 0 and 5; 0=non-responsive 1=poor, 2=below average, 3=average, 4=above average, 5=excellent. Scores will be multiplied by the criterion weight for a weighted score; weighted scores will be totaled for the weighted total score.*

- 1. EXPERIENCE AND QUALIFICATIONS

Firm provided at a minimum, the following information:

- History of the make-up and composition of the Firm, including competitive advantages over others within the same industry.
- Description of Firm's experience in preparing governmental financial statements, and in aiding in obtaining the Certificate of Achievement for Excellence in Financial Reporting for municipal entities of similar size and scope.
- A copy of the two most recent external quality control review reports and letters of comment along with a statement indicating whether the reviews included a review of specific governmental engagements, a copy of Firm's most recent peer review report, and results of any Federal or State desk review or field audits during the past three years.
- Total staff available for this audit and the anticipated percent of audit work to be performed by various levels of staff.
- Designation of two (2) "key members" of the audit team.
- Positive affirmation that all CPAs assigned to the engagement have properly maintained CPE in governmental accounting and have completed Ethics Course within last two years as required by the Board of Accountancy.
- Resumes of key members, partners, managers and other staff assigned to this audit, which shall include the following information:

- Experience in public accounting and governmental auditing.
- Continuing Education Units (CEU) The Firm’s professional personnel have received adequate continuing professional education within the preceding two (2) years. A Completion Certificate was provided.
- Formal education - supplemental education related to governmental accounting and auditing.
- Firm’s experience with CDBG and Airport transportation grants.
- Copy of active CPA license for all individual CPAs assigned to the audit and for the firm in the State of Florida from the Florida Board of Accountancy.
- Firm expertise in assisting clients with complying with SBITA and lease reporting requirements.

**Scoring Method:**

0-5 Points

**Weight (Points):**

15 (15% of Total)

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- 2. PROJECT APPROACH

Firm described their approach and the understanding of the City’s objectives and requirements for by providing:

- Location where audit will be held.
- Proposed segmentation of the engagement, including staff levels and number of hours to be assigned to each proposed segment.
- Sample size and the extent to which statistical sampling is to be used.
- Extent of use of technology in the engagement.
- Will the firm use auditor sign-in credentials to extract purchase orders, invoices, and check copies from Tyler Munis. Moreover, will the firm accept a direct download of Truist’s transactions for the year.

- Type and extent of analytical procedures to be used in the engagement.
- Approach to be taken to gain and document an understanding of the City's internal control structure.
- Approach to be taken in determining laws and regulations that will be subject to audit test work.
- Tentative schedule for performing key aspects of the audit.
- Clear and consistent plan for accomplishing the specified work.
- Detailed information on how Firm will communicate with the assigned City throughout the term of the contract.

**Scoring Method:**

0-5 Points

**Weight (Points):**

40 (40% of Total)

Meeting  
July 30, 2025

Action Item

## **COMMITTEE ITEMS 1.2**

Set dates to review proposals — September 9, 10 or 11th.  
Possible firm interview dates September 16, 17, 18

**Issue:**

**Background:**

**Attachment(s):**

None

**Fiscal Impact:**

**Staff Recommendation:**