

**Bayshore Gardens Park & Recreation District
Auditor Selection Committee Meeting Minutes
Wednesday; May 17, 2023 @ 10:00AM**

Sharon Densen, Chairman, opened the meeting/ interview at 10:00. Four were in attendance for the morning interview: Committee members Sharon Denson, Marlene Durgin, Gwen Norris, Secretary, and Chadwick Bailey, CPA, of Hernden, Trapp, Westfall & Gardner, LLC., a subcontractor of Gardner Thomas. Kimeth Gardner, CPA was not available due to illness.

Chadwick said that currently the Gardner Thomas firm performs audits for clients.

Gardner Thomas / Hernden, Trapp, Westfall & Gardner, LLC Interview -

Sharon had provided an example of our monthly profit and loss report noting the reserve accounts, and other items.

Sharon said that we need to know by audit, 'how to do better'.

Marlene asked Chadwick to describe the difference between a 'qualified opinion' and a 'unqualified opinion'. Chadwick said the 'qualified opinion' is 'off normal,' and the 'unqualified opinion' indicates that nothing appears wrong, no tangents aware of. He said they would work with the district to resolve problems always upon exit.

Audit requirements for Special Districts are found in State Statues 189. Gwen asked if the firm is familiar with our Special District requirements. Chadwick said that the requirements would be studied for our audit requirements.

FIPCA (Florida Institute for CPAs) requirements. Chadwick said that Kim would be able to elaborate on this.

Understanding the difference between Special District and other Government entities. Chadwick said Special Districts are closer to the HOA requirements. Chadwick said Kim's office performs audits on HOAs. He said Special District requirements would be reviewed prior to the audit.

The basis of the offer - fee (total fee shown between \$4,900 and \$6,200). Chad said that the fee would be determined by the amount of time the audit would take. No hourly rates were provided in their proposal for members of the auditing group. Chadwick said that Kim could answer these questions.

Chadwick indicated that the fee amount provided can be used for the following four years.

Gwen asked if there were any peer reviews. Chadwick said they mainly audit universities, churches, HOAs, Condo Associations.

Gwen asked if there is any complimentary training for clients. Chad did not think there were.

This interview was complete at 10:47 AM and Chadwick Bailey was thanked and excused. We discussed their experience with Special Districts. Gwen felt that without Kim here, due to illness, we did not get all the questions answered. We opted to not set another interview to include Kim.

Meeting business -

Sharon asked to approve the May 11th Meeting Minutes. Gwen said that she wanted to make a correction- the third paragraph last sentence needs removed. It appears Herndon/ Gardner Thomas does not offer complimentary training. Sharon moved to approve the Minutes as corrected, Marlene seconded the motion. The motion was voted on and passed. Sharon said she will make the correction and send the approved minutes to Gia.

We took a lunch break prior to the next interview.

We reconvened at 1:00 PM. Five were in attendance: Committee members Sharon Denson, Marlene Durgin, Gwen Norris, Secretary; and Daniel Anderson, CPA and Garrett Marlowe, CPA, of Mauldin & Jenkins.

Mauldin & Jenkins Interview -

Sharon had provided an example of our monthly profit and loss report noting the reserve accounts, and other items.

Marlene asked how long Mauldin & Jenkins had been doing the Audits for Bayshore Gardens. Daniel said it has been more than five years.

They were asked if they give recommendations to the district. Dan said they give casual recommendations. Gwen questioned whether oral recommendations were beneficial in improving poor practices. There was discussion on reserve accounts and other items. Sharon said that we need to know by audit, 'how to do better'.

Daniel said that they determine 'does it balance' at audit.

Marlene asked for the difference between a 'qualified opinion' and an 'unqualified opinion'. Daniel said a 'unqualified opinion' is the highest assurance = free of mis statements. And the 'qualified opinion' will show any exceptions.

The 2022 Audit is still underway and will hit a deadline in June. Mauldin & Jenkins is still waiting for credit card statements from Bayshore Gardens. They will report to the Board of Trustee Chairman.

Mauldin does give complimentary training quarterly with a choice of a Thursday or Wednesday. The training is broad, not constricted to special district needs.

The interview concluded and Daniel and Garrett were thanked and excused.

After interview discussions -

We were concerned that not all information requested in the RFP, was provided by Gardner Thomas/Hernden, Trapp, Westfall & Gardner and with Kim Gardner absent, information was not forthcoming in the interview. Some of the information requested in the RFP is mandatory. Gwen said that it would be nice to have more firms approvable for this work to increase competitiveness in bidding. After discussion Sharon said she would email the firms. Mauldin & Jenkins had submitted all the information requested in the RFP.

We questioned if we needed to give Kimeth Gardner an interview as he was the one performing audits at their firm. After discussion we decided to not have another interview because both firms would need to be interviewed again. It would have been good if Kim Gardner had been present.

We still need to recommend one firm. We set another Committee meeting for Tuesday, May 30th at 11:00 AM to complete this process, and we adjourned.

Recording Secretary: Gwen Norris

Approved by: Committee

Date: May 30, 2023