

**RESOLUTION 16-67**

**A RESOLUTION TO AWARD CONTRACT TO CROSSLIN AND ASSOCIATES TO PERFORM THE AUDIT OF THE CITY OF SPRING HILL FINANCIAL RECORDS FOR FISCAL YEARS 2015-2016, 2016-2017, 2017-2018, AND 2018-2019**

**WHEREAS**, it is necessary to perform an audit of the City's financial records at the close of each fiscal year; and

**WHEREAS**, city staff advertised and received proposals from qualified accounting firms on April 18, 2016; and

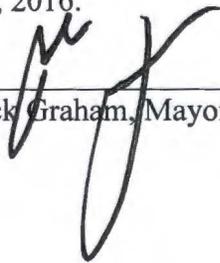
**WHEREAS**, city staff reviewed all responses and unanimously recommends Crosslin and Associates; and

**WHEREAS**, the firm has proposed a contract for the performance of the 2015-2016, 2016-2017, 2017-2018, and 2018-2019 fiscal year audits at a cost not to exceed \$28,500.00 per year.

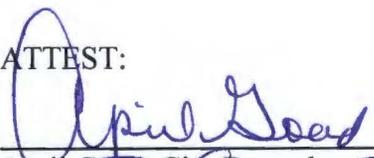
**NOW THEREFORE, BE IT RESOLVED** by the Board of Mayor and Aldermen of the City of Spring Hill, that a contract to perform in-depth audits of the City's financial records for fiscal years 2015-2016, 2016-2017, 2017-2018, and 2018-2019, is hereby awarded to the firm of Crosslin and Associates, in the amount of \$28,500.00 per year with optional yearly renewals until fiscal year ending June 30, 2023 at an amount not to exceed \$30,500.00.

**BE IT FURTHER RESOLVED** that the City Administrator is hereby authorized to sign any and all documents relating to this award.

Passed and adopted this 20<sup>th</sup> day of June, 2016.

  
\_\_\_\_\_  
Rick Graham, Mayor

ATTEST:

  
\_\_\_\_\_  
April Goad, City Recorder

LEGAL FORM APPROVED:

  
\_\_\_\_\_  
Patrick Carter, City Attorney



**REQUEST:**            *Approval of Resolution 16-67*

**SUBMITTED BY:**    Jim Smith, Finance Director

**DATE:**                June 3, 2016

**RE:**                    Selection of Auditing Firm

**ATTACHMENTS:**    None

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**PURPOSE:**

The City has been using Bellenfant & Miles, LLC (currently Bellenfant, PLLC) since at least FY 2008 when I first came to the City. While we have not had any problems or issues with the firm, I felt it necessary for us to go through the process of a RFP/RFQ to make sure that we have the best firm for the dollar.

**BACKGROUND:**

While there is no regulatory requirement to change auditing firms on a regular basis, it appears that after an eight year run, it was time to at least look around to ensure that we have the best firm that suits our needs. It can be easy for either side of an audit (auditor vs auditee) to become somewhat complacent and I want the City to be on its toes at all times.

As a result, we issued an RFP and received four responses along with annual costs:

Bellenfant, PLLC	Brentwood, TN	\$24,000
Rodefer Moss & CO, PLLC	Nashville, TN	\$30,000
Jobe, Hastings & Assoc.	Murfreesboro, TN	\$48,000
Crosslin & Associates	Nashville, TN	\$27,500



**FINANCIAL IMPACT:**

Current FY 2016 budget is \$38,000 and three of the four firms are below that figure.

**STAFF RECOMMENDATION:**

The review committee consisted of myself, Robin Bates, April Goad and Missy Stahl (with her prior experience in the Finance Office). We independently reviewed the four proposals and decided to interview Bellenfant, as the incumbent, and Crosslin & Associates. The two we did not interview are, we think, very good firms with good experience in the municipal field. We discarded them due to their higher price tag. It was apparent to the four of us that Crosslin was, by far, the best, at a price a little higher than Bellenfant, but still approximately \$10,000 lower than budget for this year.

**ACTION REQUIRED (INCLUDE DEADLINE /PRIORITY):**

This selection is a resolution so only one vote is required. Crosslin is prepared to begin as early as possible after BOMA approval.



May 16, 2016

Mr. Victor Lay  
City Administrator  
Mr. Jim Smith  
Finance Director  
and  
Board of Mayor and Aldermen  
City of Spring Hill, Tennessee  
199 Town Center Parkway  
Spring Hill, Tennessee 37174

Dear Mr. Lay, Mr. Smith and Aldermen,

Thank you very much for selecting Crosslin & Associates, PLLC as independent auditors and business advisors for the City of Spring Hill, Tennessee (the "City"). We look forward to providing you with the high quality services you expect from your professional service providers.

Our commitment to delivering superior service means that we strive to demonstrate initiative, anticipate problems, propose solutions, and communicate effectively with you and other members of management throughout the year. In addition, during our audit we will be alert for opportunities to bring insightful and constructive suggestions for improving management information, operating and accounting procedures, and internal control. As your business advisors, we will also look for opportunities to reduce your costs and improve asset management.

#### **AGREEMENT TO PROVIDE SERVICES**

We are pleased to confirm our understanding of the services we are to provide the City for each of the years ending June 30, 2016 through 2019 with optional renewals for 2020 through 2023. We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements, of the City of Spring Hill, Tennessee as of and for the years ending June 30, 2016 through 2019 with optional renewal for 2020 through 2023.



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 City'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 City'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 generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis
2. Required Schedules - Pension Plan

We have also been engaged to report on supplementary information other than RSI that accompanies City'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 will provide an opinion on it in relation to the financial statements as a whole:

1. Schedule of Expenditures of Federal and State Awards
2. Budgetary Comparison Schedules
3. Combining Financial Statements and Schedules - Non Major Funds
4. Other Schedules Required by the Tennessee Comptroller of Treasury Audit Manual, which will be noted in the auditor's report

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 auditor's report will not provide an opinion or any assurance on that other information.

1. Introductory Section
2. Certain Schedules Required by the Tennessee Comptroller of the Treasury Audit Manual, which will be noted in the auditor's report.



## AUDIT OBJECTIVES

The objective of our audit is the expression of opinions as to whether your basic 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 second paragraph when considered in relation to the financial statements as a whole. Our audits will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and will include tests of accounting records and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of each audit of the City's financial statements. Our reports will be addressed to The Board of Mayor and Alderman. 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 on the financial statements 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 to issue a report as a result of this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

The *Government Auditing Standard* 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 compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 City's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the City is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.



## 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 rather than absolute 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 entity or to acts by management or employees acting on behalf of the entity. 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 major programs (when applicable). However, we will inform the appropriate level of management of any material errors or any fraudulent financial reporting or misappropriation of assets that come to our attention. We will include such matters in the reports when 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 each audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal and state awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.



### **AUDIT PROCEDURES - INTERNAL CONTROLS**

Our audit will include obtaining an understanding of the entity 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*.

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 and *Government Auditing Standards*.

### **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 City'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*.

### **OTHER SERVICES**

We will also assist in preparing the financial statements, schedule of expenditures of federal and state awards, and related notes of the City in conformity with U.S. generally accepted accounting principles based on information provided to you. These nonattest services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*.



## **MANAGEMENT RESPONSIBILITIES**

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; 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 and state awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

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) additional information that we may request for the purpose of the audit, and (3) 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 written 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 taken 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 or illegal acts affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts 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 entity 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 provision of laws, regulations, contacts, and grant agreements, or abuse that we report.



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 or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with 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 for us 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.

You agree to assume all management responsibilities relating to the financial statements, 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 any 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.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.



## **AUDIT DOCUMENTATION AND REPRODUCTION OF AUDIT REPORT**

The audit documentation for this engagement is the property of our firm and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to a state or federal agency providing direct or indirect funding. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of our firm's 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 in accordance with firm policy. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party contesting the audit finding for guidance prior to destroying the audit documentation.

## **E-MAIL COMMUNICATION**

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure or communication of e-mail transmissions, or for the unauthorized use or failed delivery of e-mails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of e-mail transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

## **PEER REVIEW REPORTS**

*Government Auditing Standards* require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our most recent peer review report accompanied our proposal response to your RFP. The peer review letter is also available on the AICPA website.



## **OTHER SERVICES**

We are always available to meet with you and other executives at various times throughout the year to discuss current business, operational, accounting, and auditing matters affecting the City. Whenever you feel such meetings are desirable, please let us know. We are also prepared to provide services to assist you in any of these areas. We will also be pleased, at your request, to attend your Board of Mayor and Aldermen or Committee meetings.

You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

## **OFFERING DOCUMENT**

Should the City wish to include or incorporate by reference these financial statements and our audit report thereon into an offering of exempt securities, prior to our consenting to include or incorporate by reference our report on such financial statements, we would consider our consent to the inclusion of our report and the terms thereof at that time. We will be required to perform procedures as required by the standards of the American Institute of Certified Public Accountants, including, but not limited to, reading other information incorporated by reference in the offering document and performing subsequent event procedures. Our reading of the other information included or incorporated by reference in the offering document will consider whether such information, or the manner of its presentation, is materially inconsistent with information, or the manner of its presentation, appearing in the financial statements. However, we will not perform procedures to corroborate such other information (including forward-looking statements). The specific terms of our future services with respect to future offering documents will be determined at the time the services are to be performed.

Should the City wish to include or incorporate by reference these financial statements and our audit report thereon into an offering of exempt securities without obtaining our consent to include or incorporate by reference our report on such financial statements, and we are not otherwise associated with the offering document, then the City agrees to include the following language in the offering document:

“Crosslin & Associates, PLLC, our independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Crosslin & Associates, PLLC also has not performed any procedures relating to this official statement.”



### **MANAGEMENT REPRESENTATIONS**

As required by auditing standards generally accepted in the United States of America, we will request certain written representations from management at the close of our audit to confirm oral representations given to us and to indicate and document the continuing appropriateness of such representations and reduce the possibility of misunderstanding concerning matters that are the subject of the representations. Because of the importance of management's representations to an effective audit, the City will release and indemnify Crosslin & Associates, PLLC and its personnel from any liability and costs relating to our services under this agreement attributable to any misrepresentations by management.

### **AVAILABILITY OF RECORDS AND PERSONNEL**

The City agrees that all records, documentation, and information we request in connection with our audit will be made available to us (including those pertaining to related parties), that all material information will be disclosed to us, and that we will have full cooperation of, and unrestricted access to, the City personnel during the course of the engagement.

The City also agrees to ensure that any third party valuation reports that The City provides to us to support amounts or disclosures in the financial statements 1) indicate the purpose for which they were intended, which is consistent with the City's actual use of such reports; and 2) do not contain any restrictive language that would preclude us from using such reports as audit evidence.

### **ASSISTANCE BY YOUR PERSONNEL AND INTERNET ACCESS**

We also ask that the City personnel prepare various schedules and analyses for our staff. However, except as otherwise noted by us, no personal information other than names related to the City's employees and/or customers should be provided to us. In addition, we ask that the City provide high-speed Internet access to our engagement team, if practicable, while working on its premises. This assistance will serve to facilitate the progress of our work.

### **DISPUTE RESOLUTION PROCEDURE**

If any dispute, controversy, or claim arises in connection with the performance or breach of this agreement (including disputes regarding the validity or enforceability of this agreement), either party may, upon written notice to the other party, request facilitated negotiations. Such negotiations shall be assisted by a neutral facilitator acceptable to both parties and shall require the best efforts of the parties to discuss with each other in good faith their respective positions and, respecting their different interests, to finally resolve such dispute.



Each party may disclose any facts to the other party or to the facilitator that it, in good faith, considers necessary to resolve the dispute. However, all such disclosures will be deemed in furtherance of settlement efforts and will not be admissible in any subsequent litigation against the disclosing party. Except as agreed by both parties, the facilitator shall keep confidential all information disclosed during negotiations. The facilitator shall not act as a witness for either party in any subsequent arbitration between the parties.

Such facilitated negotiations shall conclude within sixty days from receipt of the written notice unless extended by mutual consent. The parties may also agree at any time to terminate or waive facilitated negotiations. The costs incurred by each party in such negotiations will be borne by it; the fees and expenses of the facilitator, if any, shall be borne equally by the parties.

If any dispute, controversy, or claim arises in connection with the performance or breach of this agreement (including disputes regarding the validity or enforceability of this agreement) and cannot be resolved by facilitated negotiations (or the parties agree to waive that process), then such dispute, controversy, or claim shall be settled by arbitration. The arbitration proceeding shall take place in Nashville, Tennessee, unless the parties agree to a different locale.

The proceeding shall be governed by the provisions of the Federal Arbitration Act (FAA) or, if a court of competent jurisdiction determines the FAA inapplicable, by the laws of the state in which the proceeding is to take place. In any arbitration instituted hereunder, the proceedings shall proceed in accordance with the then current Arbitration Rules for Professional Accounting and Related Disputes of the American Arbitration Association (AAA), except that no pre-hearing discovery shall be permitted unless specifically authorized by the arbitration panel.

Such arbitration shall be conducted before a panel of three persons, one chosen by each party and the third selected by the two party-selected arbitrators. The arbitration panel shall have no authority to award non-monetary or equitable relief, and any monetary award shall not include punitive damages. The confidentiality provisions applicable to facilitated negotiation shall also apply to arbitration. The award issued by the arbitration panel may be confirmed in a judgment by any federal or state court of competent jurisdiction.

## **INDEPENDENCE**

Professional and certain regulatory standards require us to be independent, in both fact and appearance, with respect to the City in the performance of our services. Any discussions that you have with personnel of our Firm regarding employment could pose a threat to our independence. Therefore, we request that you inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence.



## ENGAGEMENT ADMINISTRATION AND FEES

Daniel Miller is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. Our fees are based upon the time required by the individuals assigned to the engagements. The fees are based on anticipated cooperation from your personnel and the assumption that significant unexpected circumstances will not be encountered during the audits. Interim billings will be submitted as work progresses and as expenses are incurred.

Year Ended	All-Inclusive Audit Fee
June 30, 2016	\$27,500
June 30, 2017	\$27,500
June 30, 2018	\$28,500
June 30, 2019	\$28,500
<b>Optional Renewals:</b>	
June 30, 2020	\$29,500
June 30, 2021	\$29,500
June 30, 2022	\$30,500
June 30, 2023	\$30,500

If significant additional time is necessary due to specific circumstances beyond our control which increases the scope of the audit, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Specific examples of items requiring additional audit time would be the discovery of fraud or illegal activities, significant changes in the nature of funds or the reporting entity as required by GASB (i.e. component unit), increases in scope as requested by the Board of Mayor and Aldermen or management or Single Audit under the OMB Uniform Guidance (i.e. federal grant funds). Additionally, the fees assume that management will be prepared. Again, all such matters will be discussed with you in advance.



\* \* \* \* \*

We appreciate the opportunity to be of service to the City of Spring Hill, Tennessee 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. We appreciate your business, and we look forward to many years of pleasant association with you and the City.

Very truly yours,

Daniel P. Miller  
Audit Principal

RESPONSE:

This letter correctly sets forth the understanding of the City of Spring Hill, Tennessee.

By: \_\_\_\_\_

Title: \_\_\_\_\_