

- Internal control related to major programs and an opinion (or a disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.
- Independent auditors' report on compliance with Mississippi State Laws and Regulations.

The reports on internal control and compliance will each include a statement that the report is intended for the information and use of the Mayor & City Council, City Manager, senior management, federal awarding agencies, and if applicable, pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, the reports are a matter of public record, and their distribution is not limited.

My audit will further include issuance of a Comprehensive Financial Report in accordance with GASB Statement 34 and, as mentioned, the Single Audit Act including all additional required reports, schedules and statements.

My audit will be conducted in accordance with U.S. generally accepted auditing standards; 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; and the provisions of OMB Circular A-133, and will include tests of your accounting records, a determination of major program(s) in accordance with OMB Circular A-133, and other procedures I consider necessary to enable me to express such an opinion and to render the required reports. If my opinion on the financial statements or the Single Audit compliance opinion is other than unqualified, I will discuss the reasons with you in advance. If, for any reason, I am unable to complete the audit or are unable to form or have not formed an opinion, I may decline to express an opinion or to issue a report as a result of this engagement.

In response to your request for additional services, I submit the following :

- For the performance of other accounting services of to be used at the discretion of the City, I propose an hourly rate of \$ 47.50 per hour, regardless of the appropriate personnel assigned. These services will be performed personally by me, and will include, as requested by the City, the tasks as listed in your RFP. [As a clarification, let me state that my standard billing rate is much higher than \$47.50. However, because I would prefer to have personal participation in, and oversight of, this service, I have quoted my lowest staff billing rate.]

In response to the remainder of your requests, I submit the following:

- Subsequent auditors will have complete access to all of my workpapers. I have no reservations about any reasonable access to my work products by any responsible interested party or parties. You will note in this package that I have received my recent Peer Review with an unmodified opinion, as has been the case on all of my previous reviews. This review consists of a comprehensive review of my selected workpapers. Allow me to state, with all appropriate humility, and yet with appropriate frankness, that all which were examined were found to be compliant with all the high Quality Control Standards of the American Institute of CPA's.
- Upon completion of the Audit, I will plan to deliver thirty-five (35) copies of my report to the City Clerk, in addition to an electronic version of the report by May 30, 2014 for the Fiscal Year 2013 Audit, and by May 30, 2015 for the Fiscal Year 2014 Audit. Also, I will prepare and submit the Auditor's portion of the Data Collection Form (DCF), as required by the Yellow Book and A-133, and will assist, the City, at no additional fee, with the preparation and submission of the auditee's portion of the DCF.
- As fixed fee for my Audit Services for the Fiscal Year 2013, I propose a fixed fee of \$ 27,950, and for the Fiscal Year 2014, also a fixed fee of \$ 27,950. Given the fact that this fee is likely less than a customary fee for the audit of a City with a budget level of Gautier, please be advised that, nevertheless, my level of professionalism and the comprehensive nature of my audit steps will in no way be limited or compromised.

As additional background information, as suggested in your request, I submit the additional documents in this binder, regarding my prior experience, qualifications, and capabilities with regard to Municipal Auditing and Accounting in Mississippi. In order to be brief and to the point, I have summarized most of the information about my firm. I can respond in more detail as you may request.

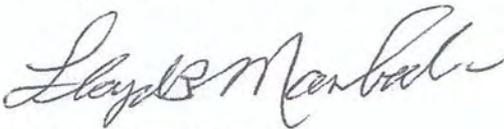
Let me summarily add to those documents, that I have been performing Municipal Audits since 1974, and have either audited or served as a staff auditor, senior auditor, auditor in charge, supervising auditor, manager, or partner, in a number of audits of Mississippi Municipalities. This has been in both in public accounting in the private sector, and as a supervising staff auditor with the Office of The State Auditor. In addition, I maintain a continuing contact with recognized Governmental Accounting and Auditing professionals. Among those are Mr. Bill Wagner, CPA, who is one of the most recognized Governmental Auditors and AICPA Staff Instructors in the country; Mr. Bill Broadus, CPA, author the original GAO Yellow Book; and also Mr. Palmer Marcantonio (now retired), former senior official at the Office of Management and Budget (OMB), and primary author of OMB Circular A-133 (the Single Audit), and OMB Circulars A-87 and

A-102. I speak with them often, sharing our respective ideas regarding evolving Government Accounting Principles and Auditing Standards. My goal in this respect is to stay closely informed with current accounting changes, and progress of the United States toward the application of International Accounting Standards.

As a postscript, let me add that, if engaged by your City, I will performing the audit with very little, and only part time, staff assistance needed. Thus my fees include little or no overhead. Also, for the most part, I will likely be the only one visiting your office. Hence there will be a need to allow for only limited office space for my audit field work, and hopefully a lesser amount of your valuable staff time.

I thank you for your time and willingness to accept my proposal, and I await your favorable response. Please understand that I am available at your convenience, given sufficient notice, to meet with you, the City Manager/City Clerk and/or the Mayor and Council regarding my proposal.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Lloyd Marshall". The signature is written in black ink and is positioned above the printed name.

Lloyd Marshall

SUMMARY RESUME & REFERENCES

LLOYD B. MARSHALL, JR.
4321 Gautier Vancleave Rd. Suite A
Gautier, MS 39553

Phone: 228-497-2788

OVERVIEW

Senior level CPA with over 35 years experience in financial management with 20 years in non-profit state government agencies and public educational television. Experienced in supervising functions including accounting, data processing, personnel, purchasing, engineering, investments, grants, and auditing. Expertise in staff development and effective communication with administration, boards, and other internal and external publics. Areas of expertise include:

- Financial Administration/Reporting
- Operations Management
- Accounting Systems Design/Implementation
- Budgeting and Strategic Planning
- Data Processing
- Taxation and Auditing
- Board and Legislative Reporting
- Facility Financing and Management
- Policy-Making
- Inventory Management
- Grantsmanship
- Investment Management
- Public Speaking/Presentations

CAREER HIGHLIGHTS

- Served as the MS Dept. of Wildlife, Fisheries, and Parks primary contact with the Mississippi Legislature, the Mississippi Department of Finance and Administration, Bureau of Buildings and Grounds, and the Legislative Budget Office.
- Have a demonstrated record of success with legislative budget requests. ETV received from the state legislature \$6.8 million for a new microwave system, \$7.2 million for new building construction, and \$5 million bond issue to initiate digital conversion.
- Initiated concept, prepared documentation, and received state funding in the amount of \$2.5 million for a new transmission tower for ETV.
- Managed multi-million dollar capital improvements projects.
- Prepared eight indirect cost proposals that were all approved by two different federal agencies.
- Have substantial experience in non-profit auditing in accordance with OMB Circular A-133 with substantial experience in auditing community colleges, school districts, municipalities, and small corporations. Highly respected by the state's Director of Auditing for Schools and Universities with some reports accepted at face value. Received no exceptions in ETV's annual audits and audited one community college for seven years without amendments to reports by the State Auditor's office.
- Directed transition to a new statewide automated accounting system (SASS) for ETV that enhanced financial reporting by providing real-time, on-line information.
- Served as integral member of statewide committee to design updated accounting system for Mississippi state government.

EDUCATION: Bachelor of Science Administration	Accounting, Math & Physics	Master of Business Emphasis in Accounting -Finance
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REFERENCES

Gerald Lee, Ph.D., Professor
School of Business
Mississippi College
Clinton, MS 39056
Phone: (601) 925-3220

Greg Mitchell, former Mayor
City of Picayune
(601) – 798 - 2642

Lloyd Roberts, Ph.D., Dean
School of Business
Mississippi College
Clinton, MS 39056
Phone: (601) 925-3419

Mike Eddlemon, Elder
Church of Christ at Creekwood
8051 Suzanne Way
Mobile, AL 36695
Phone: (251)-422-6224

William C. "Bill" Wagner, CPA
AICPA Nationally Recognized Lecturer in Governmental Accounting & Auditing
1009 Manor Vue Court
Belmont, PA
Phone: (724) 468-3293 (difficult to reach, travels nationwide, but will call back)

Charles E. Ellis, CPA
Former Treasurer – J. W. Underwood & Company
and Professor of Accounting
Mississippi College
*(Deceased. Letter of recommendation written
before death is available upon request.)*

John Gilbert, CPA, CGFM
Director, Office of Internal Accountability
MS State Dept. of Education
Jackson, MS
Cell Phone: (601)-940-3400 (difficult to reach at times)

Robert "Bob" Wilson
Executive Director
MS Mainstreet Association, Inc.
Jackson, MS
Phone: (601) 944-0113

There came for consideration of the Mayor and Members of the Council of the City of Gautier, Mississippi, the following:

ORDER NUMBER 209-2013

IT IS HEREBY ORDERED by the Mayor and Member of the Council of the City of Gautier, Mississippi that the following is hereby authorized for the FY 2014 Budget effective October 1, 2013, to provide funding for the self-insured health insurance policy.

1. To continue to pay 100% of premiums for employee only coverage in the amount of \$405.65 per month.
2. To continue to pay 87.056% of premiums for employee/child coverage in the amount of \$595.70 per month – total premium \$684.26 per month. Employee portion will be in the amount of \$88.56 per month.
3. To continue to pay 86.378% of premiums for employee/spouse coverage in the amount of \$707.30 per month – total premium \$818.84per month. Employee portion will be in the amount of \$111.54 per month.
4. To continue to pay 86.961% of premiums for family coverage in the amount of \$916.78 per month – total premium \$1,054.24 per month. Employee portion will be in the amount of \$137.46 per month.
5. To continue to pay an annual fee of \$5,760 to Consult A Doctor.
6. To continue to pay 100% of premiums for life only covered employees in the amount of \$6.00 per month.

IT IS FURTHER ORDERED that the City Manager or City Clerk is authorized to execute any and all documents necessary.

Motion was made by Councilman Martin, seconded by Councilwoman Colledge and the following vote was recorded:

AYES: Gordon Gollott
Mary Martin
Johnny Jones
Casey Vaughan
Rusty Anderson
Adam Colledge

NAYS: None

ABSTAINED Hurley Ray Guillotte

MAYOR

ATTEST:

CITY CLERK

PASSED AND ADOPTED by Mayor and Members of the Council of the City of Gautier, Mississippi, at the meeting of September 3, 2013.

**CITY OF GAUTIER
MEMORANDUM**

To: Samantha Abell, City Manager
From: Jason D. Pugh, Human Resources Director
Date: August 27, 2013
Subject: Renewal of FY 2014 Funding Rates for Self-Insured Health Benefits

REQUEST:

The Human Resources Department requests City Council approval to renew funding rates for the self-insured medical and dental insurance plans for FY2014 with Fox Everett Inc.

BACKGROUND:

The Human Resources Department has received the medical and dental renewal funding rates for FY 2014 from Fox Everett Inc. with no changes. This also includes a no specific deductible laser endorsement. This company has provided exceptional TPA services to the municipality and its municipal employees since October 1, 2004.

RECOMMENDATION:

Staff recommends the City Council authorize the continuation of medical and dental funding rates for the self-insured insurance plans with no changes for FY 2014.

The City Council may:

1. Approve the attached order; or
2. Disapprove the attached order.

ATTACHMENT(S):

Recap of Costs October 1, 2013
Fully-Insured Transplant Coverage Proposal



City of Gautier
 Recap of Costs
 October 1, 2013

	HCC Life		Westport	Optum
SPECIFIC EXCESS COVERAGE				
Coverage's	Medical & Rx Drugs	Medical & Rx Drugs	Medical & Rx Drugs	Medical & Rx Drugs
Contract Basis	12/15	12/15	12/15	12/15
	<i>Contingent Laser</i>	<i>Removed</i>		
	\$500K			
1. Individual Specific Deductible	\$ 65,000	\$ 65,000	\$ 70,000	\$ 65,000
2. Employees without dependents	50	50	50	50
3. Families (including employees)	58	58	58	58
4. Monthly Premium Rates - Single	\$ 79.27	\$ 86.86	\$ 82.22	\$ 79.56
5. Monthly Premium Rates - Family	\$ 203.59	\$ 217.26	\$ 206.18	\$ 212.54
6. Estimated Annual Specific Premium	\$ 189,261	\$ 203,329	\$ 192,833	\$ 195,664
AGGREGATE EXCESS LOSS				
Coverage's	Medical & Rx Drugs	Medical & Rx Drugs	Medical & Rx Drugs	Medical & Rx Drugs
Contract Basis	12/15	12/15	12/15	12/15
Maximum Aggregate Reimbursement	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Individual Claim Limit	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000
Aggregate Corridor	125%	125%	125%	125%
7. Monthly Aggregate Factor - Single	\$ 361.46	\$ 371.59	\$ 373.96	\$ 364.18
8. Monthly Aggregate Factor - Family	\$ 907.91	\$ 944.32	\$ 949.86	\$ 1,011.07
9. Minimum Annual Aggregate Attachment Point	\$ 848,781	\$ 880,201	\$ 885,479	\$ 922,213
10. Expected Annual Claims	\$ 679,025	\$ 704,161	\$ 708,383	\$ 737,770
11. Monthly Premium Rate - Composite	(\$7.94 PEPM)	(\$8.80 PEPM)	(\$8.82 PEPM)	(\$8.49 PEPM)
12. Estimated Annual Aggregate Premium	\$ 10,290	\$ 11,405	\$ 11,431	\$ 11,003
FULLY INSURED TRANSPLANT POLICY - Fairmont				
13. Monthly Premium Rates - Single	\$ 5.87	\$ 5.87	\$ 5.87	\$ 5.87
14. Monthly Premium Rates - Family	\$ 15.32	\$ 15.32	\$ 15.32	\$ 15.32
15. Estimated Annual Transplant Premium	\$ 14,185	\$ 14,185	\$ 14,185	\$ 14,185
ADMINISTRATIVE FEES				
16. Medical Claims Administration - (PEPM)	\$ 14.50	\$ 15.26	\$ 15.26	\$ 15.26
17. Consult A Doc (PEPM)	\$ 3.20	\$ 3.20	\$ 3.20	\$ 3.20
18. Broker Fee - (PEPM)	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00
19. Dental Fee - (PEPM)	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00
20. COBRA & HIPAA Administration - (PEPM)	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50
21. Pre-Admission Certification - (PEPM)	\$ 1.46	\$ 1.46	\$ 1.46	\$ 1.46
22. PPO Access Fee - (PEPM)	\$ 4.95	\$ 4.95	\$ 4.95	\$ 4.95
23. PPACA - (PEPM)	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
24. Bloodhound "Claims Edit" - (PEPM)	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50
25. Estimated Annual Administration Cost	\$ 42,911	\$ 43,896	\$ 43,896	\$ 43,896
TOTAL ANNUAL COST				
26. Minimum annual cost* (\$-0- claims)	\$ 259,142	\$ 275,310	\$ 264,840	\$ 264,747
27. Expected annual cost*	\$ 938,167	\$ 979,471	\$ 973,223	\$ 1,002,517
28. Maximum annual cost*	\$ 1,107,924	\$ 1,155,511	\$ 1,150,319	\$ 1,186,960
29. MS CHIRPA (PEPM: MS Residents =104)	\$2,496.00	\$2,496.00	\$2,496.00	0
	\$2.00	\$2.00	\$3.00	0
PGORI - \$1 per covered life annually ; Transitional Reinsurance Fee - \$5.25 per covered life monthly.				

City of Gautier

Underwritten for: Fox-Everett

TPA: Fox-Everett

Effective Date: October 1, 2013

Fully-Insured Transplant Coverage

Commissions	0%
Single Rate (74 Lives)	\$4.99
Family Rate (80 Lives)	\$13.02
Estimated Annual Premium	\$16,930
Lifetime Maximum	\$1,000,000

Brief Description of Benefits:

- \$0.00 Deductible
- Other Lifetime Maximum Options may be available upon request
- 12-month "Incurred" Benefit Period
- Transplant Services Coverage for:
heart, heart/kidney, heart/lung(s), lung(s), liver, liver/cadaveric, liver/kidney, liver/live donor, pancreas, kidney, simultaneous kidney and pancreas, pancreas after kidney, small bowel, allogeneic related, allogeneic unrelated, autologous, synogeneic, cord blood, peripheral stem cell transplants
- Case Management by Fairmont Specialty
- Fairmont Specialty Transplant Network
- Excluded: Common cornea transplants and other minor cost procedures

Please refer to the Policy for expenses incurred for treatment arising from Pre-Existing Conditions.

Note additional disclosure requirements shown on Underwriting Requirements page.

Carrier: United States Fire Insurance Company
Underwriter: Sabrina Chvojicek

Sign: _____
Date: _____