

Executive Summary

Audit Committee Meeting, March 12, 2025
Board of Governors Meeting, March 12, 2025

Independent CPA Auditing Services

Topic

This Action Item requests approval to contract with Forvis Mazars, LLP (the “**Firm**”) to perform independent auditing services consistent with and required by statute. Approval is requested for a five (5) year base term, for an amount not to exceed \$1,868,750 over the initial 5-year term of the contract. Approval of the potential 5-year renewal term is not being requested with this Action Item.

History

Citizens is required to undergo an annual financial statement audit provided by an independent CPA to provide all annual auditing services required under Sections 624.424 and 627.351(6)(p) Florida Statutes, and Rule 69O-137.002, Florida Administrative Code. These audits consist of:

- An audit of Citizens’ statutory financial statements (prepared under Statutory Accounting Principles (SAP)); and
- An audit of Citizens’ financial statements (prepared under accounting principles generally accepted in the United States applicable to a proprietary fund of a government unit (GAAP), using accounting standards promulgated by the Governmental Accounting Standards Board (GASB)); and
- An audit of the Florida Market Assistance Plan’s financial statements (prepared under accounting principles generally accepted in the United States).

The Firm shall submit its final audit reports to Citizens annually no earlier than April 15th and no later than May 25th. The reports may include a management letter with recommendations from the audits. The Firm shall also prepare/provide the following:

- an annual engagement letter for each of the annual audits,
- communication related to internal control for the SAP audit and for other audits as appropriate,
- a letter of qualification for the SAP audit,
- communication to those charged with governance for each audit,
- a CPA designation letter for the SAP audit,
- interim and year-end fieldwork, as required,
- attend one or more public meetings of the Citizens’ Board of Governors Audit Committee, and
- additional professional services, as may be required.

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The Firm is currently providing these services to Citizens under a contract set to expire on June 30, 2025. On August 29, 2024, Citizens issued an RFP for a new contract. Six (6) firms responded and were evaluated by Citizens staff. On January 21, 2025, the evaluation team identified Forvis Mazars, LLP as the top-ranked vendor and recommended them for a contract award.

The fixed fees for the core services are as follows:

Year One	\$305,000
Year Two	\$315,000
Year Three	\$325,000
Year Four	\$335,000
Year Five	<u>\$345,000</u>
Total	\$1,625,000

In addition, the Firm will agree to provide additional professional services as needed by Citizens. The contract amount for these services shall not exceed fifteen percent (15%) of the above total amount (**\$243,750**) over the 5-year life of the contract.

Recommendation

See the recommendation set forth in the Action Item.

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ACTION ITEM

New Contract

Contract Amendment

Other _____

CONSENT ITEM

Contract Amendment

Existing Contract Extension

Existing Contract Additional Spend

Previous Board Approval

Other _____

Action Items: Items requiring detailed explanation to the Board. When a requested action item is a day-to-day operational item or unanimously passed through committee it may be moved forward to the board on the Consent Index.

Move forward as Consent: This Action item is a day-to-day operational item, unanimously passed through committee or qualifies to be moved forward on the Consent Index.

Consent Items: Items not requiring detailed explanation to the Board of Governors. Consent items are contract extensions, amendments or additional spending authorities for items previously approved by the Board.

Purpose/Scope	This Action Item seeks Board approval for a contract with Forvis Mazars, LLC (the “Firm”) for Independent CPA auditing services. The Firm will provide all annual auditing services required under Sections 624.424 and 627.351(6)(p), Florida Statutes, and Rule 690-137.002, Florida Administrative Code, and other related services as needed from time to time. These services are currently provided by the Firm under a contract set to expire on June 30, 2025.
Contract ID	Independent CPA Auditing Services Contract number: 25-0015. Vendor: Forvis Mazars, LLC
Budgeted Item	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Funding for 2025 was included in the budget for 2025. Funding for subsequent contract years will be included in the Annual Operating Budget for each respective contract year.
Procurement Method	On August 21, 2024, Citizens issued Request for Proposals: No. 24-0015 for Independent CPA Auditing Services. Six (6) vendors submitted replies. The proposals were reviewed and scored by an Evaluation Committee who recommended an award to Forvis Mazars, LLC on January 21, 2025.

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Contract Amount	The contract amount will not exceed \$1,868,750 for the initial term of five (5) years. This amount consists of 1) a base contract total of \$1,625,000 plus 2) 15% of the base contract total amounting to \$243,750 for Additional Professional Services as may be required by Citizens for Agreed Upon Procedures for financing purposes, or other professional services that may be required, for a total contract amount not to exceed \$1,868,750 for the initial term of the contract (5 years).
Contract Terms	Initial Term: Five (5) year term begins July 1, 2025 – June 30, 2030 Renewals: Approval of the potential five (5) year renewal term is not being requested with this Action Item. Up to five (5) optional renewal years are available from July 1, 2030 – June 30, 2035.
Committee Recommendation	Staff proposes that the Audit Committee review, and if approved recommend the Board of Governors: a) Approve the contract with Forvis Mazars, LLP for Independent CPA Auditing Services for a five (5) year initial term with the total contract amount not to exceed \$1,868,750, as set forth in this Action Item; and b) Authorize staff to take any appropriate or necessary action consistent with this Action Item.
Board Recommendation from Committee	If approved at the March 12, 2025 meeting, the Audit Committee recommends that the Board of Governors: a) Approve the contract with Forvis Mazars, LLP for Independent CPA Auditing Services for a five (5) year initial term with the total contract amount not to exceed \$1,868,750, as set forth in this Action Item; and b) Authorize staff to take any appropriate or necessary action consistent with this Action Item.
Contacts	Jennifer Montero, Chief Financial Officer