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To The Mayor & City Council
City of Clemson
P. O. Box 1566
Clemson, South Carolina 29633-1566

With this letter, we would like to offer our continuing services as auditor for the City of Clemson.

*Our firm has committed the time, the effort, and the costs to meet all requirements mandated to provide quality audits of governmental entities. Governmental accounting is a highly specialized industry. Requirements from the American Institute of Certified Public Accounts include a peer review every 3rd year of our auditing procedures and quality controls. We have continually received unqualified opinions from all our peer reviews (copy attached). In order to comply with **Generally Accepted Governmental Auditing Standards**, additional and specific continuing education requirements must be met. Federal financial assistance compliance also places extensive requirements on the City as well as on the auditors. All these requirements create a contemporaneous need for updated education and information relating to audits of governmental entities. We both meet and exceed these requirements.*

We have provided quality service to the City of Clemson. We have gone beyond the normal scope of an audit in providing guidance, support, and reconciliation and adjustment of City financial records. We have maintained independence and professionalism throughout our audit engagements. As always, we continue to be available for questions and assistance. We appreciate the confidence you have displayed in us in the past. We would like to continue as auditor for the City of Clemson. We propose to renew our contract for three to five years as follows:

| | | <u>3 Years</u> | <u>5 Years</u> |
|--------------|---------------|----------------|----------------|
| Year Ending: | June 30, 2016 | \$42,000 | \$41,420 |
| | June 30, 2017 | \$42,630 | \$42,040 |
| | June 30, 2018 | \$43,270 | \$42,670 |
| | June 30, 2019 | - | \$43,310 |
| | June 30, 2020 | - | \$43,960 |

The above contract amounts are based on estimated time and costs to apply proper auditing procedures to the data of the City in order to express an opinion on the financial statements of the City. The above amounts include providing a printable draft copy of the current year financial statement. The increases between the years are based on an inflation rate of 1.5 percent.

Our proposal is predicated on the following audit time schedule:

- *The City will provide a balanced working trial balance and relevant supporting schedules by September 15th. Fieldwork will commence immediately upon receipt of these items.*
- *An entrance conference will be scheduled within one week of commencing fieldwork.*
- *Fieldwork will be completed by November 30th dependent upon receiving information from the City in a timely manner. Any additional requested information should be provided within 5 working days.*
- *A preliminary draft of the financial statement will be provided at an exit conference scheduled no later than December 31st.*
- *Based upon the above criteria, we will be available to present our audit report to council in January.*

It is incumbent upon the City to determine that all projects and grants have been reconciled prior to commencing fieldwork. If any additional procedures are necessary they will be billed at standard billing rates and could impair our ability to meet the above time schedule.

We appreciate the opportunity to submit this offer. If we can answer any questions or expound on any part of this letter, we will be happy to do so. Thank you for your consideration.

If the City accepts this offer, please indicate in the spaces provided.

Cordially,

Stancil Cooley Estep & Stamey, LLP

*Stancil Cooley Estep & Stamey, LLP
January 13, 2016*

The City accepts the above offer:

Please Indicate Term:

____ 3 Year ____ 5 Year

Accepted by: _____

Date: _____



American Institute of Certified Public Accountants
Administered by the
South Carolina Association of CPAs



South Carolina Peer Review Program
Administered by the
South Carolina Association of CPAs

September 3, 2015

Susan Martha Stamey
Stancil, Cooley, Estep & Stamey, LLP
Po Box 1279
Seneca, SC 29679

Dear Ms. Stamey:

It is my pleasure to notify you that on September 3, 2015 the South Carolina Peer Review Committee accepted the report on the most recent system peer review of your firm. The due date for your next review is September 30, 2017. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Sincerely,

Christina R Kelly, CPA
Chair
prsupport@aicpa.org 803 7914181 107

cc: Thomas Edward Fitzsimmons; Donald R Estep

Firm Number: 10080778

Review Number 360297

Letter ID: 1017904