

February 8, 2013

Wes Hamil, Finance Director
Randy Knight, City Manager
City of Winter Park
401 Park Avenue South
Winter Park, FL 32789

RE: Usher Brown's Letter of
January 25, 2013

Dear Wes and Randy,

Thank you for forwarding Mr. Brown's letter of January 25, 2013 and email of January 27, 2013. Let me assure you that at James Moore and Co., P.L. we are committed to upholding the standards of the profession. As such, I appreciate you giving me this opportunity to address the concerns raised by Mr. Brown.

A number of professional standards for conduct of auditors apply to the audit of the City of Winter Park. As Mr. Brown noted in his letter; Generally Accepted Auditing Standards, Governmental Auditing Standards, The AICPA Code of Professional Conduct, Florida Statutes Chapters 455 and 473 and Florida Administrative Code Chapter 61H1 all provide guidance for the professional practice of CPAs. As Mr. Brown also noted, there are no ethics interpretations that address political free speech of CPAs. There are however two interpretations of the AICPA's Independence Standards that may be helpful.

AICPA Ethics Interpretations of the Independence Standards are found in ET 191, Ethics Rulings on Independence, Integrity and Objectivity. Both of the AICPA ethics interpretations relating to CPA-auditor independence and involvement in politics, provide the CPA with the opportunity to express political views and work in behalf of candidates for elective office (even serving as campaign treasurer) without impairing independence with respect to the governmental unit audited by the CPA.

ET 191-20. Member Serving on Governmental Advisory Unit

.039 Question—A member serves on a citizens' committee which is studying possible changes in the form of a county government that the firm audits. The member also serves on a committee appointed to study the financial status of a state. Would independence be considered to be impaired with respect to a county in that state?

.040 Answer—Independence would not be considered to be impaired with respect to the county through the member's service on either committee.

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ET 191-82. Campaign Treasurer

.164 Question—A member serves as the campaign treasurer of a mayoral candidate. Would independence be considered to be impaired with respect to (1) the political party with which the candidate is associated, (2) the municipality of which the candidate may become mayor, or (3) the campaign organization?

.165 Answer—Independence would not be considered to be impaired with respect to the political party or municipality. However, if *any* partner or professional employee of the firm served as campaign treasurer, independence would be considered to be impaired with respect to the campaign organization.

As I believe you are aware, in the fall of 2012 I provided to Commissioner Cooper a comment that was applicable to her experience with Winter Park. I believe the specific quote was: "In 32 years of auditing governments, I have rarely encountered an elected official who has been as prepared as Commissioner Cooper. It's refreshing to sit down for a meeting, and realize the financial information has already been studied so we're not starting from scratch." This comment was in fact an observation about preparedness for meetings and not an endorsement of Commissioner Cooper, who as I recall, was an unopposed candidate for re-election to the Winter Park City Commission. While I have great respect for Commissioner Cooper my statement was not an endorsement of her candidacy. I did not implore voters to select Commissioner Cooper nor did I contribute money to the campaign, work on behalf of the campaign or serve in any capacity on Commissioner Cooper's unopposed campaign for re-election. As such I was acting within the established bounds of proper conduct for CPAs in maintaining the highest standards for independence, integrity and objectivity. At no time did I come close to violating my (or the firm's) obligations to maintain independence, integrity and objectivity.

As Mr. Brown noted, independence is divided into two recognized components: Independence in Mind (often referred to as Independence in Fact) and Independence in Appearance. CPAs are charged with maintaining both components of independence. I'm confident that I maintained my Independence in Fact as I never violated any standard, statute, interpretation, pronouncement or regulation relating to the profession. Independence in Appearance is, as Mr. Brown also noted, the perception of the user of the CPA's report. The AICPA Ethics Interpretations are helpful to CPAs in interpreting their obligations to maintain independence and are often referred to for both Independence in Fact and Independence in Appearance. I'm also confident that I maintained Independence in Appearance in accordance with the standards, statutes, interpretations, pronouncements and interpretations that apply to this engagement. Let me once again state that I did not endorse Commissioner Cooper and did not work on her campaign, contribute money to her campaign or serve in any capacity on Commissioner Cooper's election committee. Having reaffirmed that at no time did I violate my obligation to maintain independence, integrity and objectivity, I recognize none-the-less, that Independence in Appearance (as Mr. Brown noted), may be determined by the user of the CPA's report and not by us.

James Moore and Co., P.L. employs a number of safeguards to ensure the firm maintains both Independence in Fact and Independence in Appearance and I believe we have maintained both throughout the City of Winter Park engagement. One of the safeguards employed throughout the engagement has been the use of a second partner from the firm in connection with the firm's rigorous quality control process. While I am confident that my independence has not been impaired in any way, after discussing

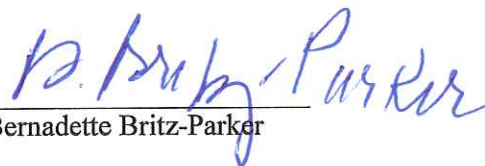
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the matter with the Managing Partner of our firm and the Partner In Charge of Accounting & Auditing, we have concluded that to assuage any concerns you might have, effective the date of this letter, the partner in charge of the City of Winter Park engagement will be James Halleran. James is familiar with the engagement and has served in a quality control capacity on the engagement. As you know, the completed audit is scheduled to be presented next month.

We look forward to completing the 2012 financial audit.

Sincerely,

JAMES MOORE & CO., P.L.

By 
Bernadette Britz-Parker