# LYONS AND LYONS
# CERTIFIED PUBLIC ACCOUNTANTS

106 West Boulevard
Macclenny, Florida 32063
www.lyonscpa.net
Telephone (904) 259-4307
Fax (904) 259-5102


**Report on Our System of Quality Management**
As of October 25, 2026

Lyons and Lyons CPAs provides this report to those charged with governance and management of our clients, the officials who contract for our audits, and other users of our reports. It describes how our system of quality management supports the consistent performance of quality engagements. It is prepared under our policies for communicating with external parties under Statement on Quality Management Standards No. 1 (QM section 10).

## 1. About Our Firm

Lyons and Lyons CPAs is a Florida partnership owned by two partners and staffed by five additional professionals, three of whom are CPAs. Our audit practice consists of local governmental entities, nonprofit organizations, and non-public entities. We also perform review and compilation engagements. We accept new audit engagements only when we have the expertise and staff capacity to perform them.

Our local government audits are performed under Generally Accepted Auditing Standards, Government Auditing Standards, and the Rules of the Auditor General of the State of Florida, as required by Section 218.39, Florida Statutes. Where applicable, we also perform single audits under the Uniform Guidance and the Florida Single Audit Act (Section 215.97, Florida Statutes). Our work is subject to AICPA peer review, review by the Florida Auditor General, and oversight by the Florida Board of Accountancy. We are not a member of a network.

## 2. Governance and Leadership

### Culture and commitment to quality

Both partners work directly with staff on every audit, so quality expectations are set through daily supervision and review. Fee, budget, and deadline pressures do not override professional standards. If an engagement cannot be properly completed by its statutory filing date, we communicate with the governing body and the Auditor General rather than issue a report that the work does not support. Any staff member may raise a concern about quality, independence, or ethics directly with either partner, without fear of reprisal. Quality is weighted in staff evaluations, advancement, and compensation.

### Roles, responsibilities, and authority

- Clay Lyons, Managing Partner — ultimate responsibility and accountability for the system of quality management; operational responsibility for the system and for the monitoring and remediation process.
- Kyla Taylor, Partner — operational responsibility for compliance with independence and other ethics requirements.

Each partner has the authority, time, and resources to carry out these roles, and performance in them is part of the annual partner evaluation.

**3. Ethics and Independence**

Kyla Taylor oversees all independence matters for the firm. Every professional confirms independence in writing at least annually. Before accepting any nonaudit service for an audit client, the firm evaluates the service under the Government Auditing Standards independence framework, documents threats and safeguards, and confirms that management has the skills, knowledge, or experience to oversee the service. Because the firm has two partners, partner rotation on long-standing engagements is limited. The firm addresses long-tenure familiarity threats through engagement quality reviews on all audits and post-issuance inspection of each partner's engagements by firm personnel who were not members of the engagement team.

**4. Quality Indicators**

| Indicator | Result | Explanation |
|---|---|---|
| Professionals meetings Government Auditing Standards CPE requirements, including governmental hours | All compliant | Every professional performing governmental audits met the requirement for the most recent measurement period. |
| Local government audit reports filed with the Florida Auditor General within 9 months of fiscal year-end | All filed timely | All local government audit reports were filed with the Florida Auditor General by the deadline in Section 218.39(7), Florida Statutes. |
| Audits subject to an engagement quality review | All audits | The firm performs an engagement quality review on every audit engagement before the report is released, in addition to partner involvement on every engagement and post-issuance inspection of completed engagements. |

**5. Peer Review and Monitoring Results**

Our most recent peer review was performed by Holland & Reilly Certified Public Accountants under the AICPA Peer Review Program, administered by the Florida Institute of Certified Public Accountants. The report, dated November 23, 2023, covers the year ended May 31, 2023. Lyons and Lyons CPAs received a rating of pass, and the reviewer did not identify any deficiencies or significant deficiencies. Our next peer review, covering the year ended May 31, 2026, is in progress. We will provide that report to our governmental clients and post it at www.lyonscpa.net when it is issued.

Clay Lyons directs our monitoring and remediation process. For the cycle ended October 25, 2026, we inspected a completed governmental audit with Federal and Florida single audits. It was inspected by a member of the firm who was not on the engagement team and did not perform its engagement quality review. Monitoring identified no findings.

**6. Annual Evaluation**

As of October 25, 2026, Clay Lyons, who holds ultimate responsibility and accountability, evaluated the firm's system of quality management. He considered the results of monitoring, including the engagement inspections, and the peer review report dated November 23, 2023. Because no findings or deficiencies were

identified, he concluded that the system provides the firm with reasonable assurance that its objectives are being achieved.

**7. Changes and Emerging Developments**

The firm designed and implemented its system of quality management under Statement on Quality Management Standards No. 1 by December 15, 2025, the date required by the standard. During 2026, the firm updated its policies, procedures, and engagement practice aids for recent changes in professional standards, including the 2024 revision of Government Auditing Standards and Statement on Standards for Accounting and Review Services No. 26, which conforms review and compilation engagements to the quality management standards. The firm's engagement inspection checklists were updated accordingly.

**8. Contact**

Questions about this report may be directed to Clay Lyons, Managing Partner, at (904) 259-4307 or clay@lyonscpa.net, or to Kyla Taylor, Partner, at (904) 259-4307 or kyla@lyonscpa.net. Concerns about the quality of our services may be directed to Clay Lyons, and we are glad to discuss this report with your governing body at our entrance or exit conference. Our most recent peer review report is available at www.lyonscpa.net.