



Item No. 9a

# TOWN OF LAUDERDALE-BY-THE-SEA

## AGENDA ITEM REQUEST FORM

### FINANCE

Department Submitting Request

DM Hoag  
Dept Head's Signature

<u>Commission Meeting Dates</u>	<u>Last date to turn in to Town Clerk's Office</u>	<u>Commission Meeting Dates</u>	<u>Last date to turn in to Town Clerk's Office</u>	<u>Commission Meeting Dates</u>	<u>Last date to turn in to Town Clerk's Office</u>
<input type="checkbox"/> May 25, 2010	May 14 (5:00 p.m.)	<input type="checkbox"/> July 27, 2010	July 16 (5:00 p.m.)	<input type="checkbox"/> Oct 26, 2010	Oct 15 (5:00 p.m.)
<input type="checkbox"/> June 8, 2010	May 28 (5:00 p.m.)	<input checked="" type="checkbox"/> Aug 25 2010*	Aug 13 (5:00 p.m.)	<input type="checkbox"/> Nov 9, 2010	Oct 29 (5:00p.m.)
<input type="checkbox"/> June 22, 2010	June 11 (5:00 p.m.)	<input type="checkbox"/> Sept 14, 2010	Sept 3 (5:00 p.m.)	<input type="checkbox"/> Nov 23, 2010	Nov 12 (5:00p.m.)
<input type="checkbox"/> July 13, 2010	July 2 (5:00 p.m.)	<input type="checkbox"/> Sep 27, 2010	Sept 17 (5:00 p.m.)	<input type="checkbox"/> Dec 14, 2010	Dec 3 (5:00p.m.)
		<input type="checkbox"/> Oct 12, 2010	Oct 1 (5:00p.m.)		

\* Subject to change

### NATURE OF AGENDA ITEM

- Presentation
- Ordinance
- Old Business
- Reports
- Resolution
- New Business
- Consent Agenda
- Quasi Judicial
- Other

### SUBJECT TITLE: AGREEMENT WITH GRAU & ASSOCIATES FOR ANNUAL AUDIT SERVICES

**EXPLANATION:** At the Regular Commission Meeting on July 27, 2010 the firm of Grau and Associates was selected by the Town Commission to conduct our annual audit. Staff was instructed to work with the attorney and prepare an agreement for professional services. Note that the RFP and RFP response from Grau & Associates are made part of the agreement.

**RECOMMENDATION:** Approve the attached agreement with Grau & Associates.

### EXHIBITS:

Agreement

### FISCAL IMPACT AND APPROPRIATION OF FUNDS:

- Amount \$ 32,000
  - Acct # FY 2010-11 001-513.000-500.320
  - Transfer of funds required
  - From Acct # \_\_\_\_\_
- Funds will be appropriated next fiscal year.

Town Attorney review required

- Yes
- No

08-13-10A10:40 RCVD

Town Manager's Initials: CHA

August 17, 2010 @ 1:20PM

**AGREEMENT  
BETWEEN  
TOWN OF LAUDERDALE-BY-THE-SEA  
AND  
GRAU & ASSOCIATES  
FOR  
PROFESSIONAL AUDITING SERVICES**

**RFP # 10-03-01**

This Agreement, is made and entered into the 17 day of August, 2010 by and between the TOWN OF LAUDERDALE-BY-THE-SEA, a Florida municipal corporation, ("TOWN"), and Grau & Associates ("AUDITOR") for the audit of the TOWN'S financial statements for the fiscal year ending September 30, 2010 ("Agreement") and for any fiscal year thereafter through September 30 of that year, if the TOWN renews this Agreement for any subsequent fiscal year. References in this Agreement to "Town Manager" shall include his or her designee.

**WITNESSETH:**

**WHEREAS**, Section 5.5(10) of the Charter of the TOWN and Section 218.39, Florida Statutes require that the TOWN shall provide annually for an audit of the financial statements of the TOWN; and

**WHEREAS**, the TOWN undertook a selection process in seeking a firm to perform the required financial audit; and

**WHEREAS**, proposals were evaluated and ranked by an Auditor Selection Committee, and those rankings were considered by the Town Commission; and

**WHEREAS**, the Town Commission has selected AUDITOR to audit the TOWN'S financial statements for the Fiscal Year ending September 30<sup>th</sup>, 2010 and for any fiscal year thereafter through September 30 of that year, if the TOWN renews this Agreement for any subsequent fiscal year; and

**WHEREAS**, on August 25<sup>th</sup>, 2010, the TOWN enacted Resolution 2010-\_\_\_\_, approving this Agreement with Grau & Associates; and

**WHEREAS, TOWN and AUDITOR desire to enter into an Agreement whereby their mutual duties and obligations are set forth.**

**IN CONSIDERATION OF THE MUTUAL COVENANTS AND CONDITIONS HEREIN EXPRESSED AND THE FAITHFUL PERFORMANCE OF ALL SUCH COVENANTS AND CONDITIONS, THE PARTIES AGREE AS FOLLOWS:**

**SECTION 1. SCOPE OF AUDIT**

1.1 The audit must meet the requirements of Section 11.45, Florida Statutes. The Request for Proposals #10-03-01 for Professional Auditing Services ("RFP") is attached hereto and made a part hereof, as Exhibit "A," and the AUDITOR'S Dollar Cost Proposal to Provide Audit Services in response to Exhibit "A" is attached hereto and made a part hereof as Exhibit "B." AUDITOR shall perform the scope of work, issue documents and reports in accord with auditing standards and comply in all respects with the requirements and obligations, as described in Exhibits "A" and "B" .

1.2 AUDITOR shall be required to make an immediate written report of all irregularities and illegal acts or indications of illegal acts of which they become aware, to the Town Manager.

1.3 The final audit report shall be furnished to the TOWN no later than February 15th of the fiscal year. The TOWN agrees that all records, documentation, and information requested in connection with the audit will be made available, that all material information will be disclosed, and that the AUDITOR will have the full cooperation of the TOWN'S personnel. As required by generally accepted auditing standards, the AUDITOR will make specific inquiries of the TOWN about the representations embodied in the financial statements, the effectiveness of the internal control structure, the TOWN'S compliance with certain laws and regulations, and obtain a representation letter from the TOWN about these matters. The responses to the AUDITOR'S inquiries, the written representations and the results of audit tests comprise the evidential matter that will be relied upon in forming an opinion on the financial statements.

1.4 AUDITOR agrees and acknowledges that AUDITOR is prohibited from exempting provisions in the RFP or in this Agreement in any of AUDITOR'S documents or reports prepared pursuant to this Agreement or otherwise in performing services hereunder.

1.5 AUDITOR agrees and acknowledges that Town Attorney shall review and approve of the litigation section of the Comprehensive Annual Financial Report (CAFR) prior to its publication.

**SECTION 2. TERM**

2.1 The term of this Agreement shall begin on the date it is fully executed by both parties and shall remain in effect until July 30, 2011. This Agreement may be renewed for successive annual periods at TOWN'S option, in accord with Section 218.391(8) of the Florida Statutes, and subject to the AUDITOR'S receipt of a renewal letter from the Town Manager no

later than July 30 of the current term for the next applicable fiscal year. In the event that the AUDITOR does not receive such a renewal letter by July 30<sup>th</sup>, this Agreement shall be deemed immediately terminated.

2.2 The TOWN'S fiscal year is from October 1 through September 30. The audit field work should be substantially completed no later than January 20<sup>th</sup> of each fiscal year and the financial statements and the final signed report shall be delivered to the TOWN by February 15<sup>th</sup> of each fiscal year. Time shall be deemed to be of the essence in performing the duties obligations and responsibilities required by this Agreement. AUDITOR shall comply with all dates as described in Exhibit "A" and with the time schedules specified for any subsequent audit years, should TOWN renew the Agreement.

### **SECTION 3. COMPENSATION**

3.1 TOWN agrees to pay AUDITOR the agreed amount, as set forth in Exhibit "B", which amount shall be accepted by AUDITOR as full compensation for all work provided hereunder. It is acknowledged and agreed by AUDITOR that this amount is the maximum payable and constitutes a limitation upon TOWN'S obligation to compensate AUDITOR for its services related to this Agreement. This maximum amount, however, does not constitute a limitation of any sort, upon AUDITOR'S obligation to perform all items of work required by or which can be reasonably inferred from this Agreement (including attachments). This section shall not constitute a limitation of any sort upon the parties with regard to negotiating compensation for subsequent periods after the initial term hereof.

3.2. AUDITOR may submit an invoice for compensation, developed and agreed upon by the Town Manager and AUDITOR, no more often than on a monthly basis, but only after the services for which the invoices are submitted have been completed. An original invoice plus one copy are due within fifteen (15) days of the end of the month except the final invoice which must be received no later than sixty (60) days after this Agreement expires. Invoices shall designate the nature of the services performed and shall also show a summary of fees and expenses with accrual of the total and credits for portions paid previously, and shall allocate the billing costs to the appropriate fund or combination of funds. Each statement shall show the proportion of the Total All Inclusive Maximum Price specified in Exhibit "B" that has been expended through previous billings. Notwithstanding the foregoing, AUDITOR may not submit invoices to TOWN which cumulatively total more than sixty percent (60%) of the Total All Inclusive Maximum Price prior to January 31 of any fiscal year.

3.3. TOWN shall pay AUDITOR within thirty (30) calendar days of receipt of AUDITOR'S proper statement. To be deemed proper, all invoices must comply with the requirements set forth in this Agreement and must be submitted on the form and pursuant to instructions prescribed by the Town Manager. TOWN shall withhold ten percent (10%) from each billing pending delivery of the AUDITOR'S final reports. Additionally, payment may be withheld by the Town Manager, at the direction of the Town Commission, for failure of AUDITOR to comply with a term, condition or requirement of this Agreement.

3.4 Notwithstanding any provision of this Agreement to the contrary, Town Manager, at the direction of the Town Commission, may withhold, in whole or in part, payment (in addition to the ten percent (10%) described above) to the extent necessary to protect itself from loss on account of inadequate or defective work which has not been remedied or resolved in a

manner satisfactory to Town Manager. The amount withheld shall not be subject to payment of interest by TOWN.

3.5 Payment shall be made to AUDITOR at:

Grau & Associates  
2700 North Military Trail, Suite 350  
Boca Raton, FL 33431

3.6 AUDITOR agrees to keep such records and accounts as may be necessary in order to record complete and correct entries as to personnel hours charged and any expenses for which AUDITOR receives payment for a period of at least three years after completion of the work provided for in this Agreement. Such books and records shall be available at all reasonable times for examination and audit by TOWN.

3.7 If it should become necessary for TOWN to request AUDITOR to render any additional services to either supplement the services described in the RFP or to perform additional work as a result of the specific recommendations included in any report issued pursuant to this Agreement, such additional work shall be performed only if set forth in an addendum to this Agreement. Any such additional work agreed to by both parties shall be performed at the same hourly rate as specified in the schedule included in Exhibit "B".

#### **SECTION 4. TERMINATION**

4.1 This Agreement may be terminated for cause by action of the Town Commission or by AUDITOR if the party in breach has not corrected the breach within ten (10) days after written notice from the aggrieved party identifying the breach, or for convenience by action of the Town Commission upon not less than ten (10) days' written notice by the Town Manager. This Agreement may also be terminated by the Town Manager upon such notice as the Town Manager deems appropriate under the circumstances, in the event Town Manager determines that termination is necessary to protect the public health, safety, or welfare.

4.2 Termination of this Agreement for cause shall include but not be limited to, failure to suitably perform the work, failure to continuously perform the work in a manner calculated to meet or accomplish the objectives of TOWN as set forth in this Agreement, or multiple breaches of the provisions of this Agreement, notwithstanding whether any such breach was previously waived or cured.

4.3 Notice of termination shall be provided in accordance with the "NOTICES" section of this Agreement, except that notice of termination by Town Manager which Town Manager deems necessary to protect the public health, safety or welfare may be verbal notice which shall be promptly confirmed in writing in accordance with the "NOTICES" section of this Agreement.

4.4 In the event this Agreement is terminated for convenience, AUDITOR shall be paid for any services performed to the date the Agreement is terminated; however, upon being notified of TOWN'S election to terminate, AUDITOR shall refrain from performing further

services or incurring additional expenses under the terms of this Agreement. AUDITOR acknowledges and agrees that Ten Dollars (\$10.00) of the compensation to be paid by TOWN, the adequacy of which is hereby acknowledged by AUDITOR, is given as specific consideration to AUDITOR for TOWN'S right to terminate this Agreement for convenience.

4.5 In the event this Agreement is terminated, any compensation payable by TOWN shall be withheld until all documents are provided to TOWN pursuant to Section 7.2 of this Agreement.

## **SECTION 5. INDEMNIFICATION**

AUDITOR shall at all times hereafter indemnify, defend, hold harmless and, at TOWN'S option, pay for an attorney selected by the TOWN, after consultation with AUDITOR, to defend TOWN, its officers, agents servants, and employees against any and all claims, losses, liabilities, and expenditures of any kind, including attorney fees, court costs, and expenses, caused by negligent act or omission of AUDITOR, its employees, agents, servants, or officers, or accruing, resulting from, or related to the subject matter of this Agreement including, without limitation, any and all claims, demands or causes of action of any nature whatsoever resulting from injuries or damages sustained by any person or property. The provisions of this section shall survive the expiration or earlier termination of this Agreement. To the extent considered necessary by the Town Manager and the Town Attorney, any sums due AUDITOR under this Agreement may be retained by TOWN until all of TOWN'S claims for indemnification pursuant to this Agreement have been settled or otherwise resolved; and any amount withheld shall not be subject to payment of interest by TOWN.

## **SECTION 6. INSURANCE**

6.1 In order to insure the indemnification obligation contained above, AUDITOR shall, as a minimum, provide, pay for, and maintain in force at all times during the term of this Agreement, the insurance coverages and any renewals thereof, as required by Exhibit "A".

6.2 AUDITOR shall furnish to the Town Manager, Certificates of Insurance or endorsements evidencing the insurance coverages specified by the RFP and TOWN shall approve such certificates and endorsements prior to beginning performance of work under this Agreement.

6.3 Coverage is not to cease and is to remain in force (subject to cancellation notice until all performance required of AUDITOR is completed. All policies must be endorsed to provide TOWN with at least thirty (30) days' notice of cancellation and/or material changes. If any of the insurance coverages will expire prior to the completion of the work, copies of renewal policies shall be furnished at least thirty (30) days prior to the date of their expiration.

## **SECTION 7. MISCELLANEOUS**

7.1 Copies of Report. AUDITOR agrees to furnish TOWN with twenty copies of the AUDITOR'S reports as required in the RFP. In addition, AUDITOR agrees to provide one copy on CD in standard .pdf format and another copy in a converted .pdf format that is acceptable to the State of Florida Auditor General's office for purposes of filing the annual report.

7.2 Ownership Of Documents. All materials, information and documents provided by TOWN in connection with this Agreement are and shall remain property of TOWN and shall be returned to TOWN upon termination of this Agreement. Unless otherwise provided herein or by law, any and all reports, photographs, surveys, financial records, supporting documents, statistical records, and any other documents pertinent to this Agreement provided or created in connection with this Agreement by AUDITOR, other than working papers, are and shall remain the property of TOWN, and in the event of termination of this Agreement, any such materials, whether finished or unfinished, shall become the property of TOWN and shall be delivered by AUDITOR to the Town Manager within seven (7) days of termination of this Agreement. Any compensation due to AUDITOR shall be withheld until all documents are received as provided herein.

7.3 Audit And Inspection Rights And Retention Of Records. TOWN shall have the right to audit the books, records and accounts and all documents, including working papers, of AUDITOR that are related to this Project. AUDITOR shall keep such books, records, accounts and documents as may be necessary in order to record complete and correct entries related to the Project.

AUDITOR shall preserve and make available, at reasonable times for examination and audit by TOWN, all books, records, and accounts and all documents, including working papers, pertinent to this Agreement for the required retention period of the Florida Public Records Act (Chapter 119, Fla. Stat.), if applicable, or, if the Florida Public Records Act is not applicable, for a minimum period of five (5) years after termination of this Agreement, unless AUDITOR is notified in writing by TOWN of the need to extend the retention period. Such retention of such records and documents shall be at AUDITOR'S expense. If any audit has been initiated and audit findings have not been resolved at the end of the retention period or five (5) years, whichever is longer, the books, records, and accounts shall be retained until resolution of the audit findings. If the Florida Public Records Act is determined by TOWN to be applicable to AUDITOR'S records, AUDITOR shall comply with all requirements thereof; however, no confidentiality or non-disclosure requirement of either federal or state law shall be violated by AUDITOR. Any incomplete or incorrect entry in such books, records, and accounts shall be a basis for TOWN'S disallowance and recovery of any payment upon such entry or for breach by AUDITOR of this Agreement.

In addition, AUDITOR shall respond to the reasonable inquiries of TOWN and successor auditors and allow TOWN and successor auditors to review working papers relating to matters of accounting significance as may become necessary.

7.4 Policy Of Non-Discrimination. AUDITOR shall not discriminate against any person in its operations, activities or delivery of services under this Agreement.

AUDITOR shall affirmatively comply with all applicable provisions of federal, state and local equal employment laws and shall not engage in or commit any discriminatory practice against any person based on race, age, religion, color, gender, sexual orientation, national origin, marital status, physical or mental disability, political affiliation or any other factor which cannot be lawfully used as a basis for service delivery.

7.5 Public Entity Crime Act. AUDITOR represents that the execution of this Agreement will not violate the Public Entity Crime Act (Section 287.133, Florida Statutes),

which essentially provides that a person or affiliate who is a contractor, consultant or other provider and who has been placed on the convicted vendor list following a conviction for a Public Entity Crime may not submit a bid on a contract to provide any goods or services to TOWN, may not submit a bid on a contract with TOWN for the construction or repair of a public building or public work, may not submit bids on leases of real property to TOWN, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with TOWN, and may not transact any business with TOWN in excess of the threshold amount provided in Section 287.017, Florida Statutes, for category two purchases for a period of thirty six (36) months from the date of being placed on the convicted vendor list. Violation of this section shall result in termination of this Agreement and recovery of all monies paid hereto, and may result in debarment from TOWN'S competitive procurement activities.

In addition to the foregoing, AUDITOR further represents that there has been no determination that it committed an act defined by Section 287.133, Florida Statutes, as a "public entity crime" and that it has not been formally charged with committing an act defined as a "public entity crime" regardless of the amount of money involved or whether AUDITOR has been placed on the convicted vendor list.

7.6 Independent Contractor. AUDITOR is an independent contractor under this Agreement. In providing services hereunder, neither AUDITOR nor its agents shall act as officers, employees or agents of the TOWN. Personnel policies, tax responsibilities, social security and health insurance, employee benefits, purchasing policies and other similar administrative procedures applicable to services rendered under this Agreement shall be those of AUDITOR. This Agreement shall not constitute or make the parties a partnership or joint venture.

7.7 Third Party Beneficiaries. Neither AUDITOR nor TOWN intends to directly or substantially benefit a third party by this Agreement. Therefore, the parties agree that there are no third party beneficiaries to this Agreement and that no third party shall be entitled to assert a claim against either of them based upon this Agreement. The parties expressly acknowledge that it is not their intent to create any rights in any third person or entity under this Agreement.

7.8 Notices. Whenever either party desires to give notice to the other, such notice must be in writing, sent by certified United States Mail postage prepaid return receipt requested or by hand delivery with a request for a written receipt of acknowledgment of delivery, addressed to the party for whom it is intended at the place last specified. The place for giving notice shall remain the same as set forth herein until changed in writing in the manner provided in this section. For the present, the parties designate the following:

TOWN:

Town Manager  
4501 Ocean Drive  
Lauderdale-By-The-Sea, FL 33308

With a Copy to:  
Susan Trevarthen, Town Attorney  
Weiss Serota, Helfman, Patoriza, Cole & Boniske

200 E. Broward Blvd., Suite 1900  
Fort Lauderdale, FL 33301

AUDITOR:

Grau & Associates  
2700 North Military Trail, Suite 350  
Boca Raton, FL 33431

7.9 Assignment And Performance. Neither this Agreement nor any interest herein shall be assigned, transferred, or encumbered by either party. In addition, AUDITOR shall not subcontract any portion of the work required by this Agreement.

AUDITOR represents that all persons delivering the services required by this Agreement have the knowledge and skills, either by training, experience, education, or a combination thereof, to adequately and competently perform the duties, obligations, and services set forth in Exhibits "A" and "B" and to provide and perform such services to TOWN'S satisfaction for the agreed compensation.

AUDITOR shall perform its duties, obligations and services under this Agreement in a skillful and respectable manner. The quality of AUDITOR'S performance and all interim and final product(s) provided to or on behalf of TOWN shall be comparable to the best local, state and national standards.

7.10 Conflicts. Neither AUDITOR nor its employees shall have or hold any continuing or frequently recurring employment or contractual relationship that is substantially antagonistic or incompatible with AUDITOR'S loyal and conscientious exercise of judgment related to its performance under this Agreement.

AUDITOR agrees that none of its officers or employees shall, during the term of this Agreement, serve as a witness against TOWN in any legal or administrative proceeding in which he or she is not a party, unless compelled by court process. Further, AUDITOR agrees that such persons shall not give sworn testimony or issue a report or writing, as an expression of his or her expert opinion, which is adverse or prejudicial to the interests of TOWN in connection with any such pending or threatened legal or administrative proceeding. The limitations of this section shall not preclude AUDITOR or any other persons from representing themselves in any action or in any administrative or legal proceeding.

In the event AUDITOR is permitted by subsequent written agreement to utilize subcontractors to perform any services required by this Agreement, AUDITOR agrees to prohibit such subcontractors, by written contract, from having any conflicts within the meaning of this section.

7.11 Contingency Fee. AUDITOR warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for AUDITOR, to solicit or secure this Agreement and that it has not paid or agreed to pay any person, company, corporation, individual or firm, other than a bona fide employee working solely for AUDITOR, any fee, commission, percentage, gift, or other consideration contingent upon or resulting from

the award or making of this Agreement. For a breach or violation of this provision, TOWN shall have the right to terminate this Agreement without liability, at its discretion, or to deduct from the Agreement price or otherwise recover the full amount of such fee, commission, percentage, gift or consideration.

7.12 Materiality And Waiver Of Breach. TOWN and AUDITOR agree that each requirement, duty, and obligation set forth herein is substantial and important to the formation of this Agreement and, therefore, is a material term hereof.

TOWN'S failure to enforce any provision of this Agreement shall not be deemed a waiver of such provision or modification of this Agreement. A waiver of any breach of a provision of this Agreement shall not be deemed a waiver of any subsequent breach and shall not be construed to be a modification of the terms of this Agreement.

7.13 Compliance With Laws. AUDITOR shall comply with all federal, state, and local laws, codes, ordinances, rules, and regulations in performing its duties, responsibilities, and obligations pursuant to this Agreement.

7.14 Severance. In the event a portion of this Agreement is found by a court of competent jurisdiction to be invalid, the remaining provisions shall continue to be effective unless TOWN or AUDITOR elects to terminate this Agreement. An election to terminate this Agreement based upon this provision shall be made within seven (7) days after the finding by the court becomes final.

7.15 Joint Preparation. The parties acknowledge that they have sought and received whatever competent advice and counsel as was necessary for them to form a full and complete understanding of all rights and obligations herein and that the preparation of this Agreement has been their joint effort. The language agreed to expresses their mutual intent and the resulting document shall not, solely as a matter of judicial construction, be construed more severely against one of the parties than the other.

7.16 Priority Of Provisions. If there is a conflict or inconsistency between any term, statement, requirement, or provision of any exhibit attached hereto, any document or events referred to herein, or any document incorporated into this Agreement by reference and a term,

statement, requirement, or provision of this Agreement, the term, statement, requirement, or provision contained in Articles 1 through 7 of this Agreement shall prevail and be given effect.

7.17 Applicable Law And Venue. This Agreement shall be interpreted and construed in accordance with and governed by the laws of the state of Florida. Any controversies or legal problems arising out of this Agreement and any action involving the enforcement or interpretation of any rights hereunder shall be submitted to the jurisdiction of the state courts of the Seventeenth Judicial Circuit of Broward County, Florida.

7.18 Amendments. No modification, amendment or alteration in the terms or conditions contained herein shall be effective unless contained in a written document prepared with the same or similar formality as this Agreement.

7.19 Drug-Free Workplace. AUDITOR shall maintain a Drug Free Workplace.

7.20 Prior Agreements. This Agreement and its attachments constitute the entire agreement between AUDITOR and TOWN, and this document incorporates and includes all prior negotiations, correspondence, conversations, agreements, and understandings applicable to the matters contained herein and the parties agree that there are no commitments, agreements or understandings concerning the subject matter of this Agreement that are not contained in this document. Accordingly, the parties agree that no deviation from the terms hereof shall be predicated upon any prior representations or agreements, whether oral or written. It is further agreed that no modification, amendment or alteration in the terms or conditions contained herein shall be effective unless set forth in writing in accordance with Section 7.18 above.

7.21 Incorporation By Reference. The attached Exhibits "A" and "B" are incorporated herein and the provisions thereof are made a part of this Agreement for all purposes.

7.22 Multiple Originals. This Agreement may be fully executed in counterpart duplicates by the parties each of which, bearing original signatures, shall have the force and effect of an original document. AUDITOR shall provide TOWN five originally executed Agreements.

7.23 Headings. Headings are for convenience of reference only and shall not be considered in any interpretation of this Agreement.

7.24 Binding Authority. Each person signing this Agreement on behalf of either party individually warrants that he or she has full legal power to execute this Agreement on behalf of the party for whom he or she is signing, and to bind and obligate such party with respect to all provisions contained in this Agreement.

7.25 Survival Of Provisions. Any terms or conditions of this Agreement that require acts beyond the date of its termination or expiration shall survive the termination or expiration of this Agreement, shall remain in full force and effect until the terms of conditions are completed, and shall be fully enforceable by either party after termination or expiration.

**AGREEMENT BETWEEN THE TOWN OF LAUDERDALE-BY-THE SEA AND GRAU AND ASSOCIATES FOR PROFESSIONAL AUDITING SERVICES**

IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement on the respective dates under each signature: Town of Lauderdale-By-The-Sea through its Town Commission, signing by and through its Mayor, authorized to execute same by Commission action on the 25th day of August, 2010; and Grau & Associates authorized to execute same, through its \_\_\_\_\_.

ATTEST:

\_\_\_\_\_  
June White, Town Clerk

By: \_\_\_\_\_  
Town Manager

\_\_\_ day of \_\_\_\_\_, 2010

Approved as to form and legality  
for the use of and reliance by the  
Town of Lauderdale-By-The-Sea only:

(TOWN SEAL)

By: \_\_\_\_\_  
Susan Trevarthen, Town Attorney

\_\_\_ day of \_\_\_\_\_, 2010

WITNESS:

Fawn Stanford

Fawn Stanford

Print Name

C. Michelle Blackstock

C. Michelle Blackstock

Print Name

AUDITOR

Grau & Associates

By: Art J. ...

Print Name: Art J. ...

Title: President

17 day of August, 2010

(CORPORATE SEAL)

EXHIBIT A

Include a copy of the RFP



## TOWN OF LAUDERDALE-BY-THE-SEA

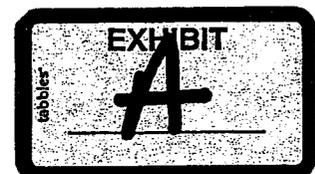
REQUEST FOR PROPOSALS #10-03-01  
FOR

PROFESSIONAL AUDITING SERVICES

Proposals must be submitted before:

July 12, 2010 by 2:00 P.M.

To the Office of the Town Clerk  
4501 Ocean Drive  
Lauderdale-By-The-Sea, FL 33308  
(954) 776-0576



# LAUDERDALE-BY-THE-SEA

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  - B. Public Entity Crimes Affidavit
  - C. Non-Collusion Affidavit
  - D. Acknowledgement of Addenda
  - E. Independence Affidavit

## SECTION I. INTRODUCTION AND GENERAL INFORMATION

### A. General Information and Term of Engagement

Lauderdale-By-The-Sea (the "Town"), a Florida Municipality located in Broward County, is requesting proposals from qualified Certified Public Accounting firms to audit its financial statements for the fiscal year ending September 30, 2010, with the option of auditing its financial statements for each of the four (4) subsequent fiscal years. This is a Financial Audit as required under Section 218.39, Florida Statutes.

### B. Information and Clarification

All requests for information or clarification regarding this Request for Proposals (RFP) shall be made in writing and received by the Town no later than 7 days prior to the required submittal date. Written inquiries shall be addressed to:

June White, Town Clerk  
Lauderdale-By-The-Sea  
4501 Ocean Drive, Lauderdale-By-The-Sea, FL 33308  
Phone: 954-776-0576  
FAX: 954-776-0094

No person is authorized to give oral interpretations of, or make oral change to, this RFP. Only written Addendum from the Town shall be binding.

### C. Presentation Costs

The Town shall not be liable for any costs, fees or expenses incurred by any firm in responding to the Request for Proposals or any subsequent inquiries or presentation relating to a response.

### D. Certification

The signer of the proposal must declare that the only person(s), company or parties interested in the project as principals, are named therein; that the proposal is made without collusion with any other person(s), company or parties that submitted a proposal; that it is in all respects fair and in good faith, without collusion or fraud; and that the signer of the proposal has full authority to bind the principals.

### E. Public Records

All material submitted in response to this RFP will become a "public record" and is subject to public disclosure consistent with Chapter 119, Florida Statutes (Public Record Law). Proposers must claim the applicable exemptions to disclosure provided by law in their response to the RFP by identifying materials to be protected, and must state the reasons why such exclusion from public disclosure is necessary and legal. The Town reserves the right to make all final determination(s) of the applicability of the Florida Public Records Law.

F. Retention of Documents and Acceptance of Conditions

The Town reserves the right to retain all documents and materials submitted and to use any ideas regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this Request for Proposals. All proposers hereunder agree to provide proposals in compliance with all federal, state and local law and regulation, including by example and not limitation, the Town Code Section 2-25 and the Town purchasing manual.

II. **NATURE OF SERVICES REQUIRED**

A. General

The Town is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the fiscal year ending September 20, 2010, with the option to audit the Town financial statements for each of the four (4) subsequent fiscal years.

B. Scope of Work to be Performed

The Town desires the auditor to express an opinion on the fair presentation of its general purpose financial statements in conformity with generally accepted accounting principles. This is a Financial Audit which shall meet the requirements of 218.39, Florida Statutes.

C. Auditing Standards to be Followed

To meet the requirements of this Request for Proposals, the audit shall be performed in accordance with:

- Generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants (AICPA)
- The government auditing standards set forth in the U.S. General Accounting Office's *Government Auditing Standards*
- The rules and requirements established by the Auditor General of the State of Florida for form and content of audits
- The provisions of the Federal Single Audit Act of 1984
- The Florida Single Audit Act
- The provisions of the U.S. Office of Management and Budget (OMB) Circular A-133 and any applicable amendments Section 11.45, Florida Statutes
- State of Florida Department of Banking and Finance regulations
- All other applicable Federal, State and local laws and regulations.

D. Reports to be Issued

Following the completion of the audit of the fiscal year's financial statements, the auditor shall compile the financial statements and footnotes based on information provided by the Town. In addition, the auditor shall prepare reports as required by adherence to the auditing standards cited in Section C. above, including but not limited to:

- A report on the fair presentation of the basic financial statements in conformity with generally accepted accounting principles.

- A report that assesses the Town's existing internal control structure based on the audit of the basic financial statements performed in accordance with government auditing standards and makes recommendations to improve those controls.
- A report on compliance with applicable laws and regulations.

In the required reports on internal controls, the auditor shall communicate any significant deficiencies found during the audit. A significant deficiency shall be defined as a significant deficiency in the design or operation of the internal control structure which could adversely affect the organization's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

Significant deficiencies that are also material weaknesses shall be identified as such in the report.

Non-reportable conditions discovered by the auditors shall be reported in a separate letter to management, which shall be referred to in the reports on internal controls.

The report on compliance shall include all material instances of noncompliance. All nonmaterial instances of noncompliance shall be reported in a separate management letter, which shall be referred to in the report on compliance.

Auditors shall be required to make an immediate, written report of all irregularities and illegal acts of which they become aware to the appropriate Town personnel (which may include the Town Manager, the Finance Director and the Town Commission) as well as the Town Attorney.

#### F. Special Considerations

For the audit of the fiscal year ending September 30, 2010, the Town wants the auditor to examine compliance with the Town's purchasing rules and regulations with regard to limitations on the Town Manager's authority to approve contracts or services up to a maximum of \$15,000. Therefore, the auditor shall double their normal sample to review individual transactions for payments made to vendors or contractors in the \$7,500 - \$14,999 range in that year's audit in order to both determine compliance with the Town's purchasing rules and regulations and that payment was made in compliance with the terms of the pertinent contract or purchase order.

The Town intends to send its Comprehensive Annual Financial Report (CAFR) to the Government Finance Officers Association of the United States and Canada for review in their Certificate of Achievement for Excellence in Financial Reporting program. The auditor will be required to provide some assistance to the Town to meet the requirements of that program at no expense to Town.

#### F. Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the auditor's expense, for a minimum of five (5) years, unless the firm is notified in writing by the Town of the need to extend the retention period. The auditor will be required to make working papers available upon request by the Town Manager, the Finance Director, the Town Commission, or the Audit Committee.

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance at the auditor's expense.

G. Insurance Requirements

The auditor shall maintain at its sole cost and expense at all times, in addition to any other insurance the Town may reasonably require, professional liability insurance with a minimum limit of \$1,000,000 per occurrence, comprehensive general liability insurance and automotive liability insurance with minimum policy limits for each coverage in the amount of One Million Dollars (\$1,000,000.00) per occurrence,

single limit for property damage and bodily injury, including death. The auditor shall also maintain worker's compensation insurance at the statutory minimums required by Chapter 440, Florida Statutes.

All submittals shall include proof in the form of a certificate of insurance complying with the requirements specified above or evidence of insurability in the form of a letter from its insurance carrier indicating that the proposer is able to obtain the required insurance. If the proposer is selected to provide audit services, the Town shall be named as an additional insured on each of the above policies, unless prohibited by law or Town waives such requirement.

H. Additional Consulting Services

In addition to the regular audit requirements, the Town may request that the audit firm selected provide consulting services for evaluation of systems which the Town will be implementing, or other audit related matters outside the performance of the annual audit. The auditors and Town will separately negotiate a fee for each instance that consulting services are requested.

**III. DESCRIPTION OF THE GOVERNMENT**

A. Name and Telephone Number of Town's Contact Person

The auditor's principal contact with the Town will be Kaola King, Finance Director, who will coordinate the assistance to be provided to the auditor by the Town. Her phone number is 954-7767910.

B. Background Information

The Town was incorporated as a municipality in 1947, and commenced operations on November 30, 1947. It is located in Broward County, Florida. The current population of the Town is approximately 6,000 residents. The Town is a legal taxing district with the power to levy ad valorem tax within its boundaries.

The Town operates under the Council/Manager form of government. The Town is governed by a five (5) member Town Council. The Town Manager is appointed by the Town Council to administer Town operations and policy.

The Town fiscal year begins on October 1 and ends on September 30. Budgets are adopted annually in accordance with the Town Charter, and expenditures are controlled in accordance with written policies and procedures.

C. Fund Structure

The Town currently uses the following fund types and account groups in its financial reporting:

Fund Type / Account Group	# of Individual Funds
Governmental Funds	2
Special Revenue Funds	1
Proprietary Funds	2
Enterprise Funds	0
General Fixed Assets Account Group	3
General Long-term Debt Account Group	1

IV. **TIME REQUIREMENTS**

A. Time Schedule for Each Fiscal Year Audit

The Town and auditor will mutually agree on a time schedule to be developed for the audit of each fiscal year. The schedule shall include dates for completing each of the following steps by the auditor no later than the agreed upon date for each year of the audit. Each of the following shall be completed by the auditor no later than the dates indicated.

1. Audit Plans:

The auditor shall provide a detailed audit plan and a list of all schedules to be prepared by the Town by October 30 of 2010 and by September 30 of each subsequent year.

2. Fieldwork:

The auditor shall complete all fieldwork by January 20 of each year.

3. Issuance of Reports and Financial Statement Attestation:

The auditor shall have ready for publication all reports denoted in Section II.D. of this Request for Proposals by February 15 of each year.

B. Entrance Conferences, Progress Reporting and Exit Conferences

There shall be an entrance conference with key Town personnel no later than October 15<sup>th</sup> of 2010 and by September 15 of each subsequent year. Progress conferences will be held with key Town personnel throughout the engagement. An exit conference will be scheduled to discuss the draft report and management letter prior to the issuance of the CAFR.

V. **ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION**

A. Finance Department Support

The Finance Director will be available during the audit to assist the firm by providing information, documentation and explanations. The preparation of confirmations will be the responsibility of the Town.

B. Work Area, Telephones, Photocopying and FAX Machines

For necessary on-site work, the Town will provide the auditor with reasonable work space, desks and chairs. The auditor will also be provided with access to telephone lines, photocopying facilities and FAX machines at no charge to the auditor for Town-related work.

C. Report Preparation

Pro formas and editing will be the responsibility of the auditor. Report preparation and printing shall also be the responsibility of the auditor, with reasonable and limited assistance from Town staff. The auditor shall be responsible for providing 20 copies of the annual financial reports to the Town, and assist Town staff with preparing additional bound copies as needed for reporting distribution. The auditor shall also be responsible for preparing an electronic copy of the complete CAFR which meets the electronic submission requirements of the Auditor General.

**VI. PROPOSAL REQUIREMENTS**

A. Submission of Proposals

To be considered, one (1) original and eleven (11) duplicate proposals must be received by the Town Clerk, at 4501 Ocean Drive, Lauderdale-By-The-Sea no later than 2:00 P.M on July 12, 2010. The proposal shall be sealed and clearly marked on the outside as follows:

REQUEST FOR PROPOSALS - PROFESSIONAL AUDITING SERVICES  
TOWN OF LAUDERDALE-BY-THE-SEA

Proposers shall send the completed proposal to the following address:

Town of Lauderdale-By-The-Sea  
4501 Ocean Drive  
Lauderdale-By-The-Sea, FL 33308  
Attention: Town Clerk RFP # 10-03-01

The proposal shall be signed by a representative who is authorized to contractually bind the firm.

Each proposal shall be prepared simply and economically, providing a straightforward, concise delineation of the firm's capabilities to satisfy the requirements of the Request for Proposals. The emphasis in each proposal must be on completeness and clarity of content. In order to expedite the evaluation of proposals, it is essential that firms follow the format and instructions contained herein, as outlined in this Section.

B. Proposal Format

The following material shall be submitted for a firm or individual to be considered:

1. Title Page  
Title page showing the RFP subject; the firm's name; the name, address and telephone number of the contact person, and the date of the proposal.
2. Table of Contents
3. Transmittal Letter  
A signed letter of transmittal briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes itself to be best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for ninety (90) days.
4. Detailed Proposal  
The detailed proposal shall follow the order set forth in Section VI of this RFP.
5. Executed copies of Appendices  
These forms are attached to this RFP as appendices as follows:

- Appendix A: Warranties
- Appendix B: Public Entity Crimes Statement
- Appendix C: Non-Collusion Affidavit
- Appendix D: Acknowledgement of Addenda
- Appendix E: Independence Affidavit

C. Proposal Content

The purpose of the RFP is to determine the qualifications, competence and capacity of the firms seeking to undertake an independent audit of the Town in conformity with the requirements of this Request for Proposals and to make a selection there under. As such, the substance of qualifications will carry more weight than their form or manner of presentation. The proposal shall demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It shall also specify an audit approach that will meet the RFP requirements.

While additional data may be presented in the proposal, the following subjects shall be included.

1. License to Practice in Florida

An affirmative statement shall be included, indicating that the firm and all assigned supervisory professional staff are properly licensed to practice in Florida and qualified to perform governmental audits.

## 2. Independence

The proposer should provide an affirmative statement that it meets all the appropriate guidelines and criteria for independence from the Town. On the form provided as Appendix E to this RFP, the proposer shall list and describe any relationships -professional, financial or otherwise - that it may have with the Town, its elected or appointed officials, its employees or agents or any of its agencies or component units for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the services sought in this RFP. Additionally, the proposer shall give the Town written notice of any other relationships - professional, financial or otherwise - that it enters into with the Town, its elected or appointed officials, its employees or agents or any of its agencies or component units during the period of the engagement.

## D. Addenda

The Town reserves the right to issue addenda. Each proposer shall acknowledge receipt of such addenda on the form provided as Appendix D. In the event any proposer fails to acknowledge receipt of such addenda, his/her proposal shall nevertheless be construed as though the addenda had been received and acknowledged and the submission of his/her proposal shall constitute acknowledgment of receipt of all addenda, whether or not received by him/her. It is the responsibility of each prospective proposer to verify that he/she has received all addenda issued before depositing the proposal with the Town.

## 3. Firm Qualifications and Experience

The proposal shall state the size of the firm's governmental staff, the location of the office from which the work on this engagement is to be performed and the number and level of the professional staff to be employed in this engagement on a full-time basis and the number and level of the staff to be so employed on a part-time basis.

If the firm is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium shall be separately identified, and the firm that is to serve as the principal auditor shall be noted, if applicable.

In a joint proposal, the principal firm shall complete and sign the proposal signature page, and the structure, duties and responsibilities of each firm shall be clearly delineated.

Each firm is also required to submit a copy of the report on its most recent external / quality control review, with a statement whether that quality control review included a review of specific local government engagements.

The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or /pending against the firm during the past three (3) years with state regulatory bodies or professional organizations. The firm shall provide an explanation of all pending, local office litigation as well as all litigation related to the firm's audits of State or Local Government entities.

4. Partner, Supervisory and Staff Qualifications and Experience

The firm shall identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists who would be assigned to the engagement, and indicate whether each such person is licensed to practice as a certified public accountant in Florida. The firm also shall provide information on the number of years performing government audits as well as the auditing experience of each person, including information on relevant continuing professional education for the past two (2) years and membership in professional organizations relevant to the performance of this audit.

The firm shall provide all information regarding the number, qualifications, certifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. The firm also shall indicate how the quality of staff over the term of the agreement will be assured.

Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the Town. However, in either case, the Town retains the right to approve or reject replacements.

Consultants and firm specialists mentioned in response to this Request for Proposals can only be changed with the express prior written permission of the Town, which retains the right to approve or reject replacements.

Other audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications or experience.

5. Similar Engagements with Other Governmental Entities

For the firm's office that will be assigned responsibility for the audit, list a minimum of five Florida municipal audit engagements performed in the last three years and include the name and phone number of the customer point of contact for each audit engagement.

6. Specific Audit Approach

The proposal shall set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section II of this Request for Proposals. In developing the work plan, reference shall be made to such sources of information as the Town's budget and related materials, organization charts, manuals and programs and financial and other management information systems.

Proposers will be required to provide the following information on their audit approach:

- a. Qualified segmentation of the engagement.
- b. Level of staff to be assigned to each qualified segment of the engagement.
- c. Type and extent of analytical procedures to be used in the engagement.
- d. Approach to be taken to gain and document an understanding of the Town's internal control structure.

- e. Approach to be taken in determining laws and regulations that will be subject to audit test work.
- f. Approach to be taken in drawing audit samples for purposes of tests of compliance.

7. Identification of Anticipated Potential Audit Problems

The proposal shall identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the Town staff.

**VII. SEALED DOLLAR COST BID**

A. Total All-Inclusive Maximum Price

The proposal shall include a "sealed dollar cost bid" which should contain all pricing information relative to performing the audit engagement as described in this request for proposals. The sealed dollar cost bid is required to have an all-inclusive maximum price (AMP) which shall contain all direct and indirect costs of the engagement, including all out-of-pocket expenses. The content for this section of the proposal is outlined below. The first page of the sealed dollar cost bid should include the following information:

1. Name of Firm
2. Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the bid, and authorized to sign a contract with the Town of Lauderdale-By-The-Sea.
3. A Total All- inclusive Maximum Price for the engagement

B. Rates

The second page of the sealed dollar cost bid should include a schedule of professional fees and expenses that supports the AMP. The cost of special services with regard to this request for proposals should be disclosed as separate components of the AMP.

C. Expenses

Out-of-pocket expenses for firm personnel (e.g., travel, lodging and subsistence) will be reimbursed at the rates used by the Town of Lauderdale-By-The-Sea for its employees. All estimated out-of-pocket expenses to be reimbursed should be presented on the second page of the sealed dollar cost bid. All expense reimbursements will be charged against the Total AMP submitted.

D. Rates for Additional Professional Services

If it should become necessary for the Town of Lauderdale-By-The-Sea to request the auditor to render any additional services to either supplement the services requested in this request for proposals or to perform additional work as a result of the specific recommendations included in

any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between the Town of Lauderdale-By-The-Sea and the firm. Any such additional work agreed to between the Town of Lauderdale-By-The-Sea and the firm shall be performed at the same rates, set forth in the schedule of fees and expenses included in the sealed dollar cost bid.

E. Manner of Payment

Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's dollar cost bid proposal. Interim billing shall cover a period of not less than a calendar month. Ten percent may be withheld from each billing pending delivery and approval by the Town of all of the firm's required final reports.

### VIII. EVALUATION PROCEDURES

A. Audit Committee

All responsive proposals will be evaluated and publicly considered by the members of the Audit Committee at an open meeting.

B. Review of Proposals

Town staff will examine the documentation submitted in the proposal to determine the responsiveness of each. A proposal will be considered responsive if it contains, as a minimum, the Mandatory Elements outlined in Section VIII (C) below. Failure to provide the required mandatory information shall disqualify any such proposal as non-responsive, and such proposal will not be considered.

The Audit Committee members will individually review and evaluate the proposals provided by the responsive, qualified firms based on the Technical Qualifications criteria and AMP as described herein.. The full Audit Committee will then convene to review and discuss these evaluations and may create a short list of proposers who may be asked to make a presentation to the Audit Committee and respond to questions from the Audit Committee. The committee members will then individually rank the short-listed proposers based 35% percent on the AMP and 65% on the Technical Qualifications described in Section VIII (C). The Finance Director will collect the individual rankings and prepare a composite ranking for each firm.

The Audit Committee will then reach a consensus and rank and recommend in order of preference the firms deemed to be most qualified to perform the audit services.

During the evaluation process, the Audit Committee and the Town reserve the right, where it may serve the Town's best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions.

C. Non-Monetary Evaluation Criteria

Proposals will be evaluated using the criteria outlined below. Firms meeting the mandatory criteria will be deemed responsive and will have their qualifications evaluated and ranked for technical

qualifications. The following represent the principal criteria which will be considered during the evaluation and ranking process.

1. Mandatory Elements

- a. The audit firm is independent and licensed to practice in Florida.
- b. The audit firm's professional personnel have received adequate continuing professional education within the preceding two (2) years in accordance with the requirements of the Florida State Board of Accountancy and Government Auditing Standards.
- c. The firm has no conflict of interest with regard to any other work performed by the firm for the Town.
- d. The firm submits a copy of its last external quality control review report and the firm has a record of quality audit work.
- e. The firm adheres to the instructions in this Request for Proposals for preparing and submitting the proposal.
- f. In the past five years the audit firm shall have generated a minimum of 33% of the firm's business from governmental audit work.

2. Technical Qualifications

a. Expertise and Experience

- (1) The firm's experience and performance on comparable government engagements, including recognized CAFR awards of their clients. (Name and contact information is to be provided in the response to the RFP of the chief executive officer and Finance Director of at least five recent governmental audit clients.)
- (2) The quality and experience of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation.
- (3) The firm's experience in providing financial reporting to government securities underwriting.

b. Audit Approach

- (1) Adequacy of qualified staffing plan for various segments of the engagement.
- (2) Adequacy of sampling techniques.
- (3) Adequacy of analytical procedures.

D. Oral Presentations

During the evaluation process, the Audit Committee may, at its discretion, request one or more firms to make oral presentations. The presentation team shall include the engagement partner, engagement manager and the senior audit team member. Such presentations will provide firms with an opportunity to answer any questions the Audit Committee may have on a firm's proposal. Not all firms may be asked to make such oral presentations.

E. Final Selection

The Audit Committee will rank and recommend to the Town Commission in order of preference no fewer than three firms deemed to be the most highly qualified to perform the required services after considering the factors described in this RFP. If fewer than three firms respond to the RFP, then the Audit Committee shall recommend such firms as it deems to be the most highly qualified.

The Town Commission will provide a final ranking of all firms and direct negotiation of an acceptable agreement, subject to approval by the Town Commission and Town Attorney, in accord with Section 218.391 (a), Florida Statutes.

F. Right to Reject Proposals

The Town Commission reserves the right without prejudice to reject any or all proposals, waive any deficiency or irregularity in the selection process, waive any minor irregularity or deficiency in a proposal or to cancel this solicitation, and choose whether or not to re-solicit.

**APPENDIX A**

**WARRANTIES**

- A. Proposer warrants that it is willing and able to comply with State of Florida laws with respect to foreign (non-state of Florida) corporations.
- B. Proposer warrants that it is willing and able to obtain an errors and omissions insurance policy providing a prudent amount of coverage for the willful or negligent acts, or omissions of any officers, employees or agents thereof in amounts in compliance with the requirements of this RFP.
- C. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement with Town without the prior written permission of the Town.
- D. Proposer warrants that all information provided by it in connection with this RFP is true and accurate.

Signature of Official: \_\_\_\_\_

Name (typed): \_\_\_\_\_

Title: \_\_\_\_\_

Firm: \_\_\_\_\_

Date: \_\_\_\_\_

APPENDIX B

SWORN STATEMENT ON PUBLIC ENTITY CRIMES  
SECTION 287.133, FLORIDA STATUTES

THIS FORM MUST BE SIGNED AND SWORN TO IN THE PRESENCE OF A NOTARY PUBLIC OR OTHER OFFICIAL AUTHORIZED TO ADMINISTER OATHS.

1. This sworn statement is submitted to Lauderdale-By-The-Sea

By \_\_\_\_\_  
[print individual's name and title]

For \_\_\_\_\_  
[print name of entity submitting sworn statement]

whose business address is

\_\_\_\_\_  
\_\_\_\_\_

and (if applicable) its Federal Employer Identification Number (FEIN) is \_\_\_\_\_

(If the entity has no FEIN, include the Social Security Number of the individual signing this sworn statement: \_\_\_\_\_).

2. I understand that a "public entity crime" as defined in Paragraph 287.133(1)(g), Florida Statutes, means a violation of any state or federal law by a person with respect to and directly related to the transaction of business with any public entity or with an agency or political subdivision of any other state or the United States, including, but not limited to, any bid or contract for goods and services to be provided to any public entity or an agency or political subdivision of any other state or of the United States involving antitrust, fraud, theft, bribery, collusion, racketeering, conspiracy, or material misrepresentation.
3. I understand that "convicted" or "conviction" as defined in Paragraph 287.133(1)(b), Florida Statutes, means a finding of guilt or a conviction or a public entity crime, with or without an adjudication of guilt, in any federal or state trial court of record relating to charges brought by indictment or information after July 1, 1989, as a result of a jury verdict, nonjury trial, or entry of a plea of guilty or nolo contendere.
4. I understand than an "affiliate" as defined in Paragraph 287.133(1)(a), Florida Statutes, means:
  - a. A predecessor or successor of a person convicted of a public entity crime; or
  - b. An entity under the control of any natural person who is active in the management of the entity and who has been convicted of a public entity crime. The term "affiliate" includes those officers, directors, executives, partners, shareholders, employees, members, and agents

who are active in the management of an affiliate. The ownership by one person of shares constituting a controlling interest in another person, or a pooling of equipment or income among persons when not for fair market value under an arm's length agreement, shall be a prima facie case that one person controls another person. A person who knowingly enters into a joint venture with a person who has been convicted of a public entity crime in Florida during the preceding 36 months shall be considered an affiliate.

5. I understand that a "person" as defined in Paragraph 287.133(1)(e), Florida Statutes, means any natural person or entity organized under the laws of any state or of the United States with the legal power to enter into a binding contract and which bids or applies to bid on contracts for the provision of goods or services let by a public entity, or which otherwise transacts or applies to transact business with a public entity. The term "person" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in the management of an entity.
6. Based on information and belief, the statement that I have marked below is true in relation to the entity submitting this sworn statement. [Indicate which statement applies.]

\_\_\_\_\_ Neither the entity submitting this sworn statement, nor any officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, nor any affiliate of the entity, has been charged with and convicted of a public entity crime subsequent to July 1, 1989.

\_\_\_\_\_ The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989.

\_\_\_\_\_ The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989. However, there has been a subsequent proceeding before a Hearing Officer of the State of Florida, Division of Administrative Hearings and the Final Order entered by the Hearing Officer determined that it was not in the public interest to place the entity submitting this sworn statement on the convicted vendor list, [attach a copy of the final order]

I UNDERSTAND THAT THE SUBMISSION OF THIS FORM TO THE CONTRACTING OFFICER FOR THE PUBLIC ENTITY IDENTIFIED IN PARAGRAPH 1 ABOVE IS FOR THAT PUBLIC ENTITY ONLY AND, THAT THIS FORM IS VALID THROUGH DECEMBER 31 OF THE CALENDAR YEAR IN WHICH IT IS FILED. I ALSO UNDERSTAND THAT I AM REQUIRED TO INFORM THE PUBLIC ENTITY PRIOR TO ENTERING INTO A CONTRACT IN EXCESS OF THE THRESHOLD AMOUNT PROVIDED IN SECTION 287.017, FLORIDA STATUTES, FOR CATEGORY TWO OF ANY CHANGE IN THE INFORMATION CONTAINED IN THIS FORM.

Signed, sealed and delivered  
in the presence of:

AUDITOR

\_\_\_\_\_  
\_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
(Printed Name)

\_\_\_\_\_  
(Title)

Witness my hand and official notary seal/stamp at \_\_\_\_\_ the day  
and year written above.

STATE OF FLORIDA                    )  
  )SS:  
COUNTY OF \_\_\_\_\_)

BEFORE ME, an officer duly authorized by law to administer oaths and take acknowledgments,  
personally appeared \_\_\_\_\_ as \_\_\_\_\_  
of \_\_\_\_\_, an organization authorized to do business in the State of  
Florida, and acknowledged executing the foregoing Affidavit as the proper official of for the use and  
purposes mentioned in the Affidavit and affixed the official seal of the corporation, and that the  
instrument is the act and deed of that corporation. He / She is personally known to me or has produced  
\_\_\_\_\_ as identification.

IN WITNESS OF THE FOREGOING, I have set my hand and official seal at in the State and County  
aforesaid on this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_\_\_\_.

\_\_\_\_\_  
NOTARY PUBLIC

My Commission Expires:

APPENDIX C

NON-COLLUSION AFFIDAVIT

The undersigned individual, being duly sworn, deposes and says that:

1. He / She is \_\_\_\_\_ of \_\_\_\_\_, the proposer that has submitted the attached proposal;
2. He / She is fully informed respecting the preparation and contents of the attached proposal and of all pertinent circumstances respecting such proposal;
3. Such proposal is genuine and is not a collusive or sham proposal;
4. Neither said proposer nor any of its officers, partners, owners, agents, representatives, employees, or parties in interest, including this affiant, has in any way colluded, connived, or agreed, directly or indirectly, with any other proposer, firm or person to submit a collusive or sham proposal in connection with the agreement for which the attached proposal has been submitted or to refrain from qualifying in connection with such agreement, or has in any manner, directly or indirectly, sought by agreement of collusion or communication of conference with any other proposer, firm, or person to fix the price or prices, or of any other proposer, or to fix any overhead, profit or cost element of the RFP or the response of any other proposer, or to secure through any collusion, connivance, or unlawful agreement any advantage against Lauderdale-By-The-Sea, Florida, or any person interested in the qualified agreement; and
5. The response to the attached RFP is fair and proper and is not tainted by any collusion, conspiracy, connivance, or unlawful agreement on the part of the proposer or any of its agents, representatives, owners, employees, or parties in interest, including this affiant.

\_\_\_\_\_  
Signature (Blue ink only)

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

Witness my hand and official notary seal/stamp at \_\_\_\_\_ the day and year written above.



**APPENDIX D**

**ACKNOWLEDGMENT OF ADDENDA**

The proposer hereby acknowledges the receipt of the following addenda issued by the Town and incorporated into and made part of this RFP. In the event the proposer fails to include any such addenda in the table below, submission of this form shall constitute acknowledgment of receipt of all addenda, whether or not received by him/her.

ADDENDUM NUMBER	DATE RECEIVED	PRINT NAME	TITLE	SIGNATURE (BLUE INK ONLY)

**[THIS SPACE INTENTIONALLY LEFT BLANK]**

**APPENDIX E**  
**INDEPENDENCE AFFIDAVIT**

The undersigned individual, being duly sworn, deposes and says that:

1. He / She is \_\_\_\_\_ of \_\_\_\_\_, the proposer that has submitted the attached proposal;
  
2. (a) Below is a list and description of any relationships, professional, financial or otherwise that proposer may have with the Town, its elected or appointed officials, its employees or agents or any of its agencies or component units for the past five (5) years.  
  
(b) Additionally, the proposer agrees and understands that proposer shall give the Town written notice of any other relationships professional, financial or otherwise that proposer enters into with the Town, its elected or appointed officials, its employees or agents or any of its agencies or component units during the period of this agreement.

(If paragraph 2(a) above does not apply, please indicate by stating, "not applicable" in the space below.)

I have/have not (circle one) attached an additional page to this form explaining why such relationships do not constitute a conflict of interest relative to performing the services sought in the RFP.

\_\_\_\_\_  
Signature (Blue ink only)

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

Witness my hand and official notary seal/stamp at \_\_\_\_\_ the day and year written above

STATE OF FLORIDA )  
 )SS:  
COUNTY OF \_\_\_\_\_)

BEFORE ME, an officer duly authorized by law to administer oaths and take acknowledgments, personally appeared \_\_\_\_\_ as \_\_\_\_\_, of \_\_\_\_\_, an organization authorized to do business in the State of Florida, and acknowledged executing the foregoing Affidavit as the proper official of \_\_\_\_\_ for the use and purposes mentioned in the Affidavit and affixed the official seal of the corporation, and that the instrument is the act and deed of that corporation. He / She is personally known to me or has produced \_\_\_\_\_ as identification.

IN WITNESS OF THE FOREGOING, I have set my hand and official seal at in the State and County aforesaid on this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_\_\_\_.

\_\_\_\_\_  
NOTARY PUBLIC

My Commission Expires:

EXHIBIT B

Include a copy of the proposal from Grau & Associates

**DUPLICATE**

**DOLLAR COST PROPOSAL TO PROVIDE  
AUDIT SERVICES  
FOR THE**

*Arma*

**TOWN OF LAUDERDALE-BY-THE SEA**

**RFP NO. 10-03-01**

**REQUEST FOR PROPOSAL FOR PROFESSIONAL AUDITING SERVICES FOR  
THE FISCAL YEAR ENDING SEPTEMBER 30, 2010, WITH AN OPTION  
TO RENEW FOR FOUR (4) SUBSEQUENT FISCAL YEARS**

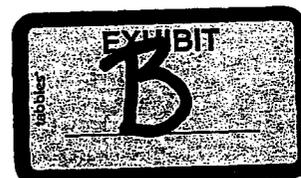
**PROPOSAL DUE: July 12, 2010 by 2:00 pm**



*certified public accountants*

2700 North Military Trail, Suite 350, Boca Raton, FL 33491  
Tel: (561) 994-9299, Fax: (561) 994-5823, Watts: (800) 299-4728

**Contact Person: Antonio Grau, Jr., CPA  
tony@graucpa.com**





July 9, 2010

Town of Lauderdale-By-The-Sea  
4501 Ocean Drive  
Lauderdale-By-The-Sea, Florida 33308  
Attention: Town Clerk RFP#10-03-01

Re: Request for Qualifications for Professional Auditing Services for the fiscal year ending September 30, 2010 with an option for each of the four (4) subsequent fiscal years; RFP 10-03-01

Grau & Associates (Grau) is presenting our dollar cost proposal to perform an audit of Town of Lauderdale-By-The-Sea (the "Town").

I certify that Antonio Grau, Jr. is entitled to represent Grau & Associates, is empowered to submit a bid and is authorized to sign a contract with the Town.

The total All-Inclusive Maximum price for the year ending September, 30, 2010 is \$32,000. The fee for each subsequent annual renewal will be agreed upon separately.

Should the Town request additional professional services, those services would be provided at our standard hourly rates below.

	<u>Standard Hourly Rates</u>
Partners	250
Managers	170
Supervisory Staff	125
Staff	100
Other (Admin)	80

Very truly yours,  
Grau & Associates

Antonio Grau, Jr.

**DUPLICATE**

**TECHNICAL PROPOSAL TO PROVIDE  
AUDIT SERVICES  
FOR THE**

**TOWN OF LAUDERDALE-BY-THE SEA**

**RFP NO. 10-03-01**

**REQUEST FOR PROPOSAL FOR PROFESSIONAL AUDITING SERVICES FOR  
THE FISCAL YEAR ENDING SEPTEMBER 30, 2010, WITH AN OPTION  
TO RENEW FOR FOUR (4) SUBSEQUENT FISCAL YEARS**

**PROPOSAL DUE: July 12, 2010 by 2:00 pm**



**Grau & Associates**

*certified public accountants*

2700 North Military Trail, Suite 350, Boca Raton, FL 33431  
Tel: (561) 994-9299, Fax: (561) 994-5823, Watts: (800) 299-4728

**Contact Person: Antonio Grau, Jr., CPA  
tony@graucpa.com**

# TOWN OF LAUDERDALE-BY-THE SEA

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2700 North Military Trail, Suite 350  
Boca Raton, Florida 33431  
(561) 994-9299 • (800) 299-4728  
Fax (561) 994-5823

July 9, 2010

Town of Lauderdale-By-The-Sea  
4501 Ocean Drive  
Lauderdale-By-The-Sea, Florida 33308  
Attention: Town Clerk RFP#10-03-01

Re: Request for Qualifications for Professional Auditing Services for the fiscal year ending September 30, 2010 with an option for each of the four (4) subsequent fiscal years; RFP 10-03-01

Grau & Associates (Grau) is pleased to respond to the Town of Lauderdale-By-The-Sea's (the "Town") Request for Proposal (RFP), and look forward to working with you on your audits. We are a team of knowledgeable professionals with extensive experience in audits for organizations just like yours, and we know how to work with you to complete an effective and efficient audit.

We focus our efforts on providing audit and attestation services for governmental and non-profit entities. By focusing our resources in this way, we provide the highest level of service to our clients, and therefore, fully understand the professional services and work products required to meet the your RFP requirements. Our team provided services in excess of 19,000 hours for our public sector clients last year, and we currently audit over 250 governmental entities. Our practice is unique as 98% of work is either audit or work related to government and non-profit entities.

In addition to our firm focus, Grau & Associates is a great fit for your audit for a variety of other reasons, including:

- **Experience**

Grau is proud of the fact that the personnel we assign to your audit are some of the most experienced auditors in the field. Unlike many other firms, our auditors work almost exclusively with governmental entities, which mean they are more knowledgeable and efficient on audits like yours. Our engagement partners have decades of experience and take a hands-on approach to our assignments, which all ensures a smoother process for you. Also, due to Grau's very low turnover rate for our industry, you won't have to worry about retraining your auditors from year to year.

- **Service**

Our clients are pleased with the level of personalized service they receive from our talented professionals. Because of our extensive experience, we are adept at making the transition to a new firm as smooth as possible. We work with you to resolve any issues and keep in regular contact so there are no surprises when the final report delivers. In fact, your engagement team will report any potential audit adjustments to you on a regular basis so you will have adequate time to research and respond. Additionally, we have a disaster recovery plan that includes daily back-ups and offsite storage, so in case of an emergency, your records would be safe.

Town of Lauderdale-By-The-Sea  
July 9, 2010

- **Responsiveness**

We pride ourselves on our high level of responsiveness. We answer emails and telephone calls within 24 hours, and usually right away. We are always accessible to clients during business hours, and make every effort to answer any questions as they arise. Additionally, we don't just complete your audit and disappear. We understand the "big picture" and think beyond the traditional auditor's perspective. We remain in touch for the entire year, suggesting ways you can improve the Town's performance, procedures and controls. We will update, advise and educate you on new or revised reporting requirements so you are sure to always remain compliant.

- **Reputation**

Our reputation in our field is impeccable. We have never been involved in any litigation, proceeding or received any disciplinary action. Additionally, we have never been charged with, or convicted of, a public entity crime of any sort. We have the professional staff available to perform the engagement and resources required to complete the work. We are financially stable and have never been involved in any bankruptcy proceedings.

- **Standards**

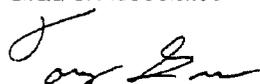
Grau & Associates is a professional association / licensed certified public accounting firm serving clients through the state of Florida. We are a member of the American Institute of Certified Public Accountants (AICPA) and the Florida Institute of Certified Public Accountants (FICPA). Additionally, individuals are members of both the (GFOA) and (FGFOA). Grau is also a member of the Governmental Audit Quality Center (GAQC). Our audit will follow the Auditing Standards of the AICPA, Generally Accepted Government Auditing Standards, issued by the Comptroller General of the United States, and the Rules of the Auditor General of the State of Florida, and any other applicable federal, state and local regulations. We will deliver our reports in accordance with your requirements.

This proposal is a firm and irrevocable offer for 90 days. We certify this proposal is made without previous understanding, agreement or connection either with any previous firms or corporations offering a proposal for the same items. We also certify our proposal is in all respects fair, without outside control, collusion, fraud, or otherwise illegal action, and was prepared in good faith. Only the person(s), company or parties interested in the project as principals are named in the proposal. Grau has no existing or potential conflicts, and anticipates no conflicts during the engagement. Our Federal I.D. number is 20-2067322.

We would be happy to answer any questions or provide additional information as needed. Please do not hesitate to call or email Antonio J. Grau, CPA ([tgrau@graucpa.com](mailto:tgrau@graucpa.com)) or Michelle Blackstock, CPA ([mblackstock@graucpa.com](mailto:mblackstock@graucpa.com)), at 561.994.9299. We thank you for considering our firm's qualifications and experience, and look forward to serving you.

Very truly yours,

Grau & Associates



Antonio J. Grau

## SECTION VI.C. TECHNICAL PROPOSAL

### 1: LICENSE TO PRACTICE IN FLORIDA

Grau & Associates is a properly registered/licensed State of Florida professional corporation. All assigned supervisory professional staff are properly registered/licensed to practice in the State of Florida and qualified to perform governmental audits.

### 2: INDEPENDENCE

Grau & Associates affirms we meet the independence requirements as defined by auditing standards generally accepted in the United States of America and the U.S. General Accounting office's *Government Auditing Standards*, we are independent. Grau has not had a professional relationship with the Town for the past five years and has no conflict of interest relative to continuing to perform the proposed engagement(s). Should Grau be awarded this engagement, we agree to give the Town written notice of any relationships, professional, financial, or otherwise, entered into with the Town, its elected or appointed officials, its employees or agents or any of its agencies or component units during the period of this engagement.

### 3: FIRM QUALIFICATIONS AND EXPERIENCE

Grau & Associates is a medium-sized accounting firm providing comprehensive financial and compliance auditing, attestation and accounting, and other management consulting services for over five years. This engagement will be performed out of our Boca Raton office located at 2700 North Military Trail, Suite 350, Boca Raton, Florida 33431, (561) 994-9299.

#### o Grau's Focus and Experience:

- We are dedicated to serving **Governmental entities** and currently audit over **250 Governmental entities**.
- Last year, Grau performed in excess of 19,000 **hours** of services for our Public Sector Clients under *Governmental Auditing Standards*.
- Grau currently **only** provides **audit and attestation** services principally for governmental and non-profit entities under government auditing standards. The firm and staff are 100% dedicated to the audit practice.

*During Grau's history we have consistently focused on providing service to the public sector. By focusing our resources on this industry, we provide the highest level of services to our Public Sector Clients.*

## SECTION VI.C. TECHNICAL PROPOSAL

### 3: FIRM QUALIFICATIONS AND EXPERIENCE (Continued)

Grau & Associates has a total of 15 employees, 13 professional staff, including 2 *Partners* and 11 *professionals* who *specialize in providing accounting, consulting, monitoring and auditing services to the Public Sector*. The number of professional staff by employee classification is as follows:

	TOTAL PROFESSIONAL STAFF	TOTAL CPA'S	PUBLIC SECTOR STAFF
<i>Partners*</i>	2	2	2
<i>Managers*</i>	4	4	4
<i>Advisory Consultant</i>	1	1	1
<i>Supervisor / Seniors*</i>	2	0	2
<i>Staff accountants*</i>	4	0	4
Total	13	7	13

**\*ALL FULL TIME EMPLOYEES**

#### Quality Control and Confidentiality

Grau participates in an external quality review program requiring an on-site independent examination of our accounting and auditing practice. Grau has consistently received an unqualified opinion on the quality of our audit practice. During our firm's last external quality control review, six audits were reviewed, including five government audits. A copy of the report on the firm's most recent quality review can be found on pages 6-7.

In addition to scheduled Peer Reviews, our firm continually monitors performance to ensure the highest quality of services. Under the supervision of the Audit Partner, an Audit Manager is responsible for monitoring quality control of all appropriate engagements.

#### Results of State and Federal Reviews

All state and federal reviews of the firm's reports and working papers have been accepted without change or revision to issued reports.

#### Disciplinary Actions

Grau & Associates has never been involved in any litigation, proceeding or disciplinary action from any state regulatory body or professional organization.

#### Conflict of Interest

Grau & Associates affirms that there is no conflict of interest relative to performing the proposed engagement.

# SECTION VI.C. TECHNICAL PROPOSAL



October 19, 2007

To The Owners  
Grau & Associates

We have reviewed the system of quality control for the accounting and auditing practice of Grau & Associates (the firm) in effect for the year ended June 30, 2007. A system of quality control encompasses the firm's organizational structure, the policies adopted and procedures established to provide it with reasonable assurance of conforming with professional standards. The elements of quality control are described in the Statements on Quality Control Standards issued by the American Institute of CPAs (AICPA). The firm is responsible for designing a system of quality control and complying with it to provide the firm reasonable assurance of conforming with professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance with its system of quality control based on our review.

Our review was conducted in accordance with standards established by the Peer Review Board of the AICPA. During our review, we read required representations from the firm, interviewed firm personnel and obtained an understanding of the nature of the firm's accounting and auditing practice, and the design of the firm's system of quality control sufficient to assess the risks implicit in its practice. Based on our assessments, we selected engagements and administrative files to test for conformity with professional standards and compliance with the firm's system of quality control. The engagements selected represented a reasonable cross-section of the firm's accounting and auditing practice with emphasis on higher-risk engagements. The engagements selected for review include among others, audits of employee benefit plans and engagements performed under Government Auditing Standards. Prior to concluding the review, we reassessed the adequacy of the scope of the peer review procedures and met with firm management to discuss the results of our review. We believe that the procedures we performed provide a reasonable basis for our opinion.

In performing our review, we obtained an understanding of the system of quality control for the firm's accounting and auditing practice. In addition, we tested compliance with the firm's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of the firm's policies and procedures on selected engagements. Our review was based on selected tests therefore it would not necessarily detect all weaknesses in the system of quality control or all instances of noncompliance with it. There are inherent limitations in the effectiveness of any system of quality control and therefore noncompliance with the system of quality control may occur and not be detected. Projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or because the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the system of quality control for the accounting and auditing practice of Grau & Associates in effect for the year ended June 30, 2007, has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA and was complied with during the year then ended to provide the firm with reasonable assurance of conforming with professional standards.

  
Certified Public Accountants

**A I C P A**  
**PEER REVIEW PROGRAM**

is proud to present this

**Certificate of Recognition**

to

**GRAU & ASSOCIATES**

*For having a system of quality control for its accounting and auditing practice in effect for the year ended June 30, 2007 which has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA and which was complied with during the year then ended to provide the firm with reasonable assurance of conforming with professional standards.*

**AICPA**



G. William Graham, Chair  
AICPA Peer Review Board  
2008

## SECTION VI.C. TECHNICAL PROPOSAL

### **4: PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE**

#### **QUALITY AND EXPERIENCE OF FIRM'S ASSIGNED AUDITING PERSONNEL**

You will have two partners available and our consultant for any technical assistance. In addition, an audit manager will be available for the engagement and a senior will be assigned to the engagement who will perform the majority of fieldwork. Additional staff are available to assist with the engagement should the need arise.

#### **➤ ANTONIO J. GRAU, CPA (Partner):**

**Antonio J. Grau, CPA** has extensive experience in governmental audits and has performed governmental audits for the **last 25 years**. Educational courses taken during the past three years include 60 hours of governmental accounting and auditing and 180 hours of other continuing professional education.

#### **➤ ANTONIO S. GRAU, CPA (Concurring Review Consultant):**

**Antonio S. Grau, CPA** will be the Concurring Review Consultant. Mr. Grau has been involved in performing governmental audits for **32 years** and is the Concurring Review Consultant on all the governmental audits of the firm. Educational courses taken during the past three years include 87 hours of governmental accounting and auditing and 46 hours of other continuing professional education.

#### **➤ C. MICHELLE BLACKSTOCK, CPA (Partner):**

**C. Michelle Blackstock, CPA** was selected for her managerial, supervising and technical capabilities. She has been performing governmental audits for over **20 years**. Educational courses taken during the past three years include 68 hours of governmental accounting and auditing and 96 hours of other continuing professional education.

#### **➤ RACQUEL MCINTOSH (Manager):**

**Racquel McIntosh, CPA** has approximately six years experience, including **5 years** of audit experience at Grau. She is a member of the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants. Racquel graduated from Florida Atlantic University and holds a Master of Accounting degree. Educational courses taken during the past three years include 60 hours of governmental accounting and auditing and 98 hours of other continuing professional education.

## SECTION VI.C. TECHNICAL PROPOSAL

### **4: PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE** *(Continued)*

#### **QUALITY AND EXPERIENCE OF FIRM'S ASSIGNED AUDITING PERSONNEL** *(Continued)*

##### **POSITION DESCRIPTIONS**

###### **Engagement Partner**

The engagement will be performed under the direct supervision of an Engagement Partner. The Engagement Partner has direct responsibility for engagement policy, direction, supervision, quality control, security and communication with client personnel. The Engagement Partner will be responsible for the quality control, supervision and confidentiality of information of the engagement and will participate extensively during the various stages of the engagement.

The Engagement Partner will also be involved in:

- ❖ coordinating all services;
- ❖ directing the development of the overall audit approach and plan;
- ❖ performing an overriding review of work papers;
- ❖ resolving technical accounting and reporting issues;
- ❖ reviewing, approving and signing reports, management letters, and other audit engagement products; and,
- ❖ ascertaining client satisfaction with all aspects of our engagement, such as services and the personnel assigned.

###### **Concurring Review and Advisory Consultant**

A Concurring Review Consultant will be available as a sounding board to advise in those areas where problems are encountered. He will also perform a second review of all reports to be issued by Grau & Associates.

###### **Audit Manager and Senior**

The assigned personnel will work closely with the partner and the Town to ensure that the financial statements and all other reports are prepared in accordance with professional standards and firm policy.

Responsibilities will include:

- ❖ planning the audit;
- ❖ preparing or modifying audit programs, as needed;
- ❖ evaluating internal control and assessing risk;
- ❖ communicating with the client and the partners the progress of the audit; and
- ❖ determining that financial statements and all reports issued by the firm for accuracy, completeness and that they are prepared in accordance with professional standards and firm policy.



Grau's engagement team's workload is organized in such a way that additional activities brought about by this engagement will not impact our current commitments to our clients. We have sufficient staff capacity to integrate these professional services into our present operations, while continuing to maintain the highest standards of quality and time lines for our clients.

# SECTION VI.C. TECHNICAL PROPOSAL

## 4: PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE (Continued)

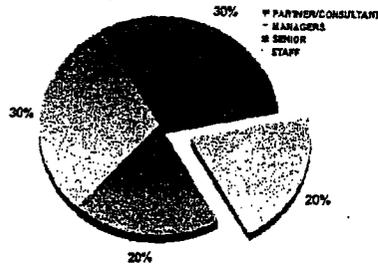
### QUALITY AND EXPERIENCE OF FIRM'S ASSIGNED AUDITING PERSONNEL (Continued)

#### Composition of Engagement Team

In contrast to the majority of both national and local firms, *Grau's proposed engagement team is comprised of an exceptionally large percentage of high-level audit professionals.*

This gives us the ability to quickly recognize problems and be more efficient as a result of our Team's **DECADES** of governmental auditing experience.

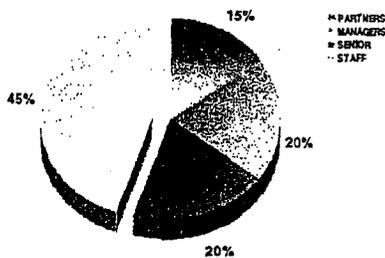
#### Grau & Associates



80 percent of engagement is performed by **"MANAGEMENT"**

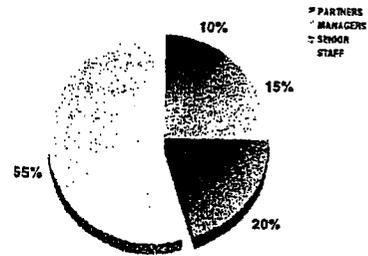
VS.

#### Typical Local CPA Firm:



Fifty-five percent of engagement is performed by "Management"

#### Typical National CPA Firm



Forty-five percent of engagement is performed by "Management"

## SECTION VI.C. TECHNICAL PROPOSAL

### 4: PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE (Continued)

#### QUALITY AND EXPERIENCE OF FIRM'S ASSIGNED AUDITING PERSONNEL

(Continued)

**Antonio J. Grau, CPA – e-mail: tgrau@graucpa.com**

**Position** PARTNER

**Education** Bachelor of Arts, Business Administration, 1983 University of South Florida; Accredited in Business Valuation by the AICPA, 1998; Personal Financial Specialist, 1997

**Professional History**

- CPA, in Florida since February 28, 1985, Certificate No. 15330
- Partner of Grau & Associates since 2006
- Partner of Grau & Company 1995-2005
- Audit manager and staff accountant of Grau & Company 1987 to 1995
- Auditor with an international accounting firm, 1985 to 1986
- Staff accountant of Grau & Company, 1983 to 1984

**Clients Served**

\*\*A partial list of clients served follows:

- (> 300) Special Districts (over 25 years)
- City of Cooper City
- City of Lauderdale Lakes
- City of Lauderhill
- City of Lauderhill General Pension
- City of North Lauderdale
- City of Oakland Park
- Delray Beach Housing Authority
- East Central Regional Wastewater Treatment Facility
- Florida Community College at Jacksonville
- Florida Department of Management Services
- Greater Boca Raton Park & Beach District
- Orlando Housing Authority
- Palm Beach County School District
- Palm Beach County Workforce Development Board
- Peninsula Housing Programs
- South Florida Water Management District
- Southwest Florida Workforce Development Board
- Town of Davie
- Town of Hypoluxo
- West Palm Beach Housing Authority

**Professional Education** Educational courses taken during the last three years.

<u>Course</u>	<u>Hours</u>
Government Accounting and Auditing	60
Accounting, Auditing and Other	<u>180</u>
Total Hours	<u>240</u>

**Other Qualifications** As a member of the Government Finance Officers Association Special Review Committee, Mr. Grau participated in the review process for awarding the GFOA Certificate of Achievement in Financial Reporting.

**Professional Associations**

- Member, American Institute of Certified Public Accountants
- Member, Florida Institute of Certified Public Accountants
- Member, Florida Government Finance Officers Association
- Member, Government Finance Officers Association

## SECTION VI.C. TECHNICAL PROPOSAL

### 4: PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE (Continued)

#### QUALITY AND EXPERIENCE OF FIRM'S ASSIGNED AUDITING PERSONNEL (Continued)

**Antonio S. Grau, CPA – e-mail: [asgrau@graucpa.com](mailto:asgrau@graucpa.com)**

**Position** CONCURRING REVIEW CONSULTANT

**Education** Bachelor Degree, Business Administration, 1966, University of Miami, Certificate of Educational Achievement from the AICPA in Governmental and Not-For-Profit Accounting and Auditing, 1994 and 1995.

**Professional History**

- CPA, in Florida since April 29, 1970, Certificate No. 2623
- Partner of Grau & Company, 1977-2004
- Financial officer of a public company, 1972 to 1976
- Auditor with an international accounting firm, 1966 to 1972

**Clients Served** Mr. Grau was the head of the governmental audit department of Grau & Company, and performs the concurring review and advises on all the governmental audits of the firm.

\*\*A partial list of clients served:

- (> 300) Special Districts (over 25 years)
- Atlanta Housing Authority
- Broward County Housing Authority
- City of Dania Beach
- City of Lauderdale Lakes
- City of Lauderhill
- City of Lauderhill General Employees Pension
- City of Miami Springs
- City of Oakland Park
- City of Sweetwater Pension
- Downtown Development Authority of the City of Miami / Community Development Block Grants
- Florida Community College at Jacksonville
- Miami Beach Housing Authority
- Palm Beach County Workforce Development District
- South Florida Water Management District
- Town of Hypoluxo
- Town of Miami Lakes
- Town of Southwest Ranches
- Village of Biscayne Park
- West Palm Beach Housing Authority

**Professional Education** Educational courses taken during the last three years.

<u>Course</u>	<u>Hours</u>
Government Accounting and Auditing	87
Accounting, Auditing and Other	46
Total Hours	<u>133</u>

**Other Qualifications** Mr. Grau was the review team leader for the Quality Review of the Office of Management Audits of Miami-Dade County School Board.

**Professional Associations**

- Member, American Institute of Certified Public Accountants
- Member, Florida Institute of Certified Public Accountants
- Past member, State and Local Government Committee, Florida
- Institute of Certified Public Accountants (1996-1997)
- Past member, Quality Review Acceptance Committee, Florida
- Institute of Certified Public Accountants (1991 - 1993)
- Past member of BKR International Committee on Government and Non-Profit Accounting and Auditing

## SECTION VI.C. TECHNICAL PROPOSAL

### 4: PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE (Continued)

#### QUALITY AND EXPERIENCE OF FIRM'S ASSIGNED AUDITING PERSONNEL (Continued)

##### C. Michelle Blackstock, CPA – e-mail: mblackstock@graucpa.com

<b>Position</b>	PARTNER									
<b>Education</b>	University of Central Florida, Orlando, Florida Bachelor of Science – Accountancy May 1988									
<b>Professional &amp; Civic History</b>	<ul style="list-style-type: none"> <li>• Grau &amp; Associates – since 2006</li> <li>• Grau &amp; Company – 2003 to 2005</li> <li>• Other Public Experience – 1988 to 2003</li> </ul>									
<b>Clients Served</b>	<p>A partial list of audit clients served (with Grau and previous firms):</p> <ul style="list-style-type: none"> <li>• Various Special Districts</li> <li>• Aid to Victims of Domestic Abuse</li> <li>• Bentley's Luggage 401(k) Plan</li> <li>• Canaveral Port Authority</li> <li>• Central County Water Control District</li> <li>• Citrus County Mosquito Control District</li> <li>• City of Cooper City</li> <li>• City of North Lauderdale</li> <li>• City of Parkland Police Officers' Retirement Plan</li> <li>• City of Sebastian</li> <li>• Cobb County Health Department</li> <li>• CPM &amp; Rosemurgy 401(k) Plan</li> <li>• Cross Country Home Services and Affiliates 401(k) Plan</li> <li>• Danmar Corporation 401(k) Plan</li> <li>• Florida Public Utilities 401(k) and Pension Plans</li> <li>• Florida Transit Association Finance Corporation Floyd County, Georgia</li> <li>• Greater Boca Raton Chamber of Commerce</li> <li>• Hispanic Human Resources Council</li> <li>• Jacksonville Police and Fire Pension Fund</li> <li>• Mae Volen Senior Center, Inc.</li> <li>• Myakka Fire Control District</li> <li>• Siboney Contracting Co.</li> <li>• South Florida Water Management District</li> <li>• South Indian River Water Control District</li> <li>• South Trail Fire and Rescue District</li> <li>• Sunshine Water Control District</li> <li>• The Breakers Health and Welfare Plan</li> <li>• Town of Davie</li> <li>• Town of Hypoluxo</li> </ul>									
<b>Professional Education</b>	<p>Educational courses taken during the last three years.</p> <table border="0" style="width: 100%;"> <thead> <tr> <th style="text-align: left;"><u>Course</u></th> <th style="text-align: right;"><u>Hours</u></th> </tr> </thead> <tbody> <tr> <td>Government Accounting and Auditing</td> <td style="text-align: right;">68</td> </tr> <tr> <td>Accounting, auditing and other</td> <td style="text-align: right;"><u>96</u></td> </tr> <tr> <td style="text-align: right;">Total Hours</td> <td style="text-align: right;"><u>164</u></td> </tr> </tbody> </table>		<u>Course</u>	<u>Hours</u>	Government Accounting and Auditing	68	Accounting, auditing and other	<u>96</u>	Total Hours	<u>164</u>
<u>Course</u>	<u>Hours</u>									
Government Accounting and Auditing	68									
Accounting, auditing and other	<u>96</u>									
Total Hours	<u>164</u>									
<b>Other Qualifications</b>	<p>As a member of the Government Finance Officers Association Special Review Committee, Michelle Blackstock participated in the review process for awarding the GFOA Certificate of Achievement in Financial Reporting.</p>									
<b>Professional Associations</b>	<ul style="list-style-type: none"> <li>• Member, American Institute of Certified Public Accountants</li> <li>• Member, Florida Institute of Certified Public Accountants</li> <li>• Member, Florida Government Finance Officers Association</li> <li>• Member, Government Finance Officers Association</li> <li>• Past member, Georgia Society of Certified Public Accountants Government Accounting and Audit Committee</li> <li>• Big Brothers Big Sisters of Broward County, Past President and past Treasurer of the Board of Directors</li> </ul>									

## SECTION VI.C. TECHNICAL PROPOSAL

### 4: PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE (Continued)

#### QUALITY AND EXPERIENCE OF FIRM'S ASSIGNED AUDITING PERSONNEL (Continued)

**Racquel C McIntosh, CPA – e-mail: rmcintosh@graucpa.com**

<b>Position</b>	<b>MANAGER</b>								
<b>Education</b>	Master of Accounting, MAAC; Florida Atlantic University, December 2004; Bachelor of Arts – Majors: Accounting and Finance; Florida Atlantic University, May 2003								
<b>Professional History</b>	<ul style="list-style-type: none"><li>• Manager at Grau &amp; Associates since 2009</li><li>• Senior Auditor at Grau &amp; Associates, 2007-2009</li><li>• Staff Auditor at Grau &amp; Associates, 2006 – 2007</li><li>• Staff Auditor at Grau &amp; Company 2005 – 2006</li><li>• Graduate Assistant at FAU Foundation, 2002- 2004</li></ul>								
<b>Clients Served</b>	A partial list of clients served follows: <ul style="list-style-type: none"><li>• Various Special Districts</li><li>• Brevard Workforce Development Board</li><li>• Broward Education Foundation</li><li>• Central Broward Water Control District</li><li>• City of Cooper City</li><li>• City of Pompano Beach (Joint Venture)</li><li>• East Central Regional Wastewater Treatment Facility</li><li>• Greater Boca Raton Beach and Park District</li><li>• Key Largo Wastewater Treatment Plant</li><li>• Pinetree Water Control District</li><li>• Southwest Florida Workforce Development Board</li><li>• Sun 'n Lake of Sebring Improvement District</li><li>• Town of Hypoluxo</li><li>• Town of Mangonia Park</li></ul>								
<b>Professional Education</b>	Educational courses taken during the last three years. <table><thead><tr><th><u>Course</u></th><th><u>Hours</u></th></tr></thead><tbody><tr><td>Government Accounting and Auditing</td><td>60</td></tr><tr><td>Accounting, Auditing and Other</td><td><u>98</u></td></tr><tr><td>Total Hours</td><td><u>158</u></td></tr></tbody></table>	<u>Course</u>	<u>Hours</u>	Government Accounting and Auditing	60	Accounting, Auditing and Other	<u>98</u>	Total Hours	<u>158</u>
<u>Course</u>	<u>Hours</u>								
Government Accounting and Auditing	60								
Accounting, Auditing and Other	<u>98</u>								
Total Hours	<u>158</u>								
<b>Professional Associations</b>	<ul style="list-style-type: none"><li>• Member, American Institute of Certified Public Accountants</li><li>• Member, Florida Institute of Certified Public Accountants</li></ul>								

## SECTION VI.C. TECHNICAL PROPOSAL

### **4: PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE** *(Continued)*

#### **QUALITY AND EXPERIENCE OF FIRM'S ASSIGNED AUDITING PERSONNEL** *(Continued)*

##### **Compliance with Government Education Requirements**

In order to maintain our high level of technical competence, we provide continuing professional education programs for all partners and professional staff members, which exceed national and state standards. **All of the audit professionals of Grau & Associates exceed the education requirements as set forth in *Government Auditing Standards*, published by the Comptroller General of the United States, and our continuing professional education programs ensure that all audit professionals meet the requirements to participate in audits of government agencies.**

##### **Professional Staff Training**

**Partners** - All of our Partners are CPA's and have diversified public accounting experience. They are responsible for overall engagement performance, policy, direction and quality control. They have ***far exceeded minimum CPE requirements.***

**Managers** - All of our Audit Managers are CPA's who have demonstrated the ability to plan audit engagements, supervise personnel and maintain frequent contact with clients. They continually upgrade their skills through the firm's continuing education programs and courses sponsored by the AICPA, FICPA and GFOA. They have ***far exceeded minimum CPE Requirements.***

**Seniors** - All of our Seniors have a minimum of 3 years of diversified public accounting experience. They perform audits, evaluate staff, review findings and prepare audit reports and possess the potential for upward mobility. They have ***far exceeded minimum CPE requirements.***

##### **Memberships**

All of the firm's CPA's are properly licensed as CPA's and members in good standing of both the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants. In addition, certain firm professionals are members or have been members of the following professional groups:

- ◆ FICPA Committee on State and Local Government
- ◆ Florida Government Finance Officers Association
- ◆ Technical Resource Committee of the Government Finance Officers Association
- ◆ Special Review Committee of the Government Finance Officers Association
- ◆ Florida Institute of CPA Non-Profit Conference Committee
- ◆ Florida Association of Special Districts

In addition, we have an ongoing recruitment program that seeks only those accountants with a proven record of academic success. When we recruit at the senior and manager level, we select CPA's with proven governmental accounting and auditing experience.

## SECTION VI.C. TECHNICAL PROPOSAL

### 5: SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENT ENTITIES

(Continued)

We have listed five government engagements, considered significant, that require compliance with laws and regulations and follow fund accounting that were performed during the last three years by that office.

<b>TOWN OF DAVIE</b>	
Scope:	Audit
Partner:	Antonio J. Grau
Date:	Annually since 2003
Client Contact:	William Ackerman
Address:	5691 Orange Drive Davie, Florida 33314
Telephone:	(954) 797-1000

<b>CITY OF NORTH LAUDERDALE</b>	
Scope:	Audit
Partner:	Antonio J. Grau
Date:	Annually since 2004
Client Contact:	Steven Chapman
Address:	701 SW 71 Avenue North Lauderdale, Florida 33068
Telephone:	(954) 724-7036

<b>TOWN OF HAVERHILL</b>	
Scope:	Audit
Partner:	Antonio J. Grau
Date:	Annually since 2006
Client Contact:	Janice Rutan
Address:	4585 Charlotte Street Haverhill, Florida 33417
Telephone:	(561) 689-0370

<b>TOWN OF HYPOLUXO</b>	
Scope:	Audit
Partner:	Antonio J. Grau
Date:	Annually since 1980
Client Contact:	Ken Schultz
Address:	7580 S. Federal Hwy. Hypoluxo, Florida 33462
Telephone:	(561) 582-0155

<b>TOWN OF MANGONIA PARK</b>	
Scope:	Audit
Partner:	Antonio J. Grau
Date:	Annually since 2006
Client Contact:	Lee Leffingwell
Address:	1755 East Tiffany Drive Mangonia Park, Florida 33407
Telephone:	(561) 848-1235

## SECTION VI.C. TECHNICAL PROPOSAL

### 5: SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENT ENTITIES

(Continued)

The following is a partial list of clients served and related experience:

MUNICIPALITIES OR RELATED COMPONENT UNITS	Attestation Services	Consulting Services	Governmental Audit	Single Audit	Utility Audit	CAFR	Current Client	Year End
City of Cooper City			✓		✓	✓	✓	9/30
City of Lauderhill			✓	✓	✓	✓		9/30
City of North Lauderdale			✓		✓	✓	✓	9/30
City of North Palm Beach (Internal Audit)	✓							9/30
City of Pompano Beach (Joint Venture, 40%)			✓	✓		✓		9/30
Miami Beach Redevelopment Agency			✓	✓				9/30
Town of Cloud Lake			✓	✓			✓	9/30
Town of Davie			✓	✓	✓	✓	✓	9/30
Town of Glen Ridge			✓				✓	9/30
Town of Haverhill			✓				✓	9/30
Town of Hillsboro Beach			✓				✓	9/30
Town of Hypoluxo		✓	✓				✓	9/30
Town of Mangonia Park			✓		✓		✓	9/30
West Palm Beach Golf Commission (Component Unit)		✓	✓					9/30
<b>TOTAL</b>	<b>1</b>	<b>2</b>	<b>13</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>9</b>	

SPECIAL DISTRICTS	Governmental Audit	Single Audit	Utility Audit	Current Client	Year End
Aberdeen Community Development District	✓				9/30
Amelia Concourse Community Development District	✓			✓	9/30
Amelia National Community Development District	✓				9/30
Amelia Walk Community Development District	✓				9/30
Anthem Park Community Development District	✓			✓	9/30
Arlington Ridge Community Development District	✓			✓	9/30
Antigua at St. Augustine Community District	✓			✓	9/30
Ave Maria Stewardship Community District	✓			✓	9/30
Bahia Lakes Community Development District	✓			✓	9/30
Ballantrae Community Development District	✓			✓	9/30
Bay Creek Community Development District	✓			✓	9/30

## SECTION VI.C. TECHNICAL PROPOSAL

### 5: SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENT ENTITIES

(Continued)

SPECIAL DISTRICTS (Continued)	Governmental Audit	Single Audit	Utility Audit	Current Client	Year End
Bay Laurel Community Development District	✓			✓	9/30
Bay Tree Community Development District	✓			✓	9/30
Bayside Community Development District	✓			✓	9/30
Beach Community Development District	✓			✓	9/30
Beacon Tradeport Community Development District	✓				9/30
Beeline Community Development District	✓			✓	9/30
Bella Verda East Community Development District	✓				9/30
Bella Verda Lake Community Development District	✓				9/30
Bella Vida Community Development District	✓			✓	9/30
Belle Fontaine Improvement District	✓			✓	9/30
Belmont Lakes Community Development District	✓			✓	9/30
Bluewaters Community Development District	✓			✓	9/30
Boggy Creek Community Development District	✓			✓	9/30
Bonnett Creek Community Development District	✓				9/30
Bonita Village Community Development District	✓			✓	9/30
Brandy Creek Community Development District	✓			✓	9/30
Bridgewater Community Development District	✓			✓	9/30
Bridgewater of Wesley Chapel Community Development District	✓			✓	9/30
Briger Community Development District	✓			✓	9/30
Brooks of Bonita Springs I Community Development District	✓			✓	9/30
Brooks of Bonita Springs II Community Development District	✓			✓	9/30
Candler Hills East Community Development District	✓			✓	9/30
Capital Region Community Development District	✓				9/30
Captain's Key Dependent District	✓			✓	9/30
Caribe Palm Community Development District	✓			✓	9/30
Cascades at Groveland Community Development District	✓			✓	9/30
Catalina at Winkler Preserve Community Development District	✓			✓	9/30
Cedar Pointe Community Development District	✓			✓	9/30
CBL/BM Port Orange West Community Development District	✓			✓	9/30
Celebration Point Community Development District	✓			✓	9/30
Central Broward Water Control District	✓			✓	9/30
Central County Water Control District	✓			✓	9/30
Century Gardens Community Development District	✓				9/30
Century Parc Community Development District	✓			✓	9/30
Chapel Creek Community Development District	✓				9/30

## SECTION VI.C. TECHNICAL PROPOSAL

### 5: SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENT ENTITIES

(Continued)

SPECIAL DISTRICTS (Continued)	Governmental Audit	Single Audit	Utility Audit	Current Client	Year End
Champions Gate Community Development District	✓			✓	9/30
Citrus County Mosquito Control District	✓			✓	9/30
City Center Community Development District	✓			✓	9/30
City Place Community Development District	✓			✓	9/30
Clearwater Cay Community Development District	✓			✓	9/30
Coastal Lake Community Development District	✓				9/30
Coconut Cay Community Development District	✓			✓	9/30
Concorde Estates Community Development District	✓			✓	9/30
Concorde Station Community Development District	✓			✓	9/30
Connerton West Community Development District	✓				9/30
Copper Creek Community Development District	✓			✓	9/30
Copper Oaks Community Development District	✓			✓	9/30
Coral Keys Homes Community Development District	✓			✓	9/30
Coral Town Park Community Development District	✓				9/30
Coronado Community Development District	✓			✓	9/30
Country Club of Mount Dora Community Development District	✓			✓	9/30
Country Greens Community Development District	✓			✓	9/30
Covington Park Community Development District	✓				9/30
Creekside Community Development District	✓			✓	9/30
Cross Country Home Services Community Development District	✓			✓	9/30
Cross Creek Community Development District	✓			✓	9/30
Cutter Cay Community Development District	✓			✓	9/30
Cypress Cove Community Development District	✓			✓	9/30
Cypress Lakes Community Development District	✓			✓	9/30
Deer Island Community Development District	✓			✓	9/30
Deer Run Community Development District	✓			✓	9/30
Dove Pond Community Development District	✓			✓	9/30
Double Brach Community Development District	✓			✓	9/30
Dunes Community Development District	✓	✓	✓	✓	9/30
Dupree Lakes Community Development District	✓			✓	9/30
East Bonita Bridge Road Community Development District	✓			✓	9/30
East Central Regional Wastewater Treatment Facility	✓		✓	✓	9/30
East Park Community Development District	✓			✓	9/30
Enclave at Black Point Marina Community Development District	✓			✓	9/30
Enterprise Community Development District	✓		✓	✓	9/30
Falcon Trace Community Development District	✓			✓	9/30

## SECTION VI.C. TECHNICAL PROPOSAL

### 5: SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENT ENTITIES

(Continued)

SPECIAL DISTRICTS (Continued)	Governmental Audit	Single Audit	Utility Audit	Current Client	Year End
Fallschase Community Development District	✓			✓	9/30
Fiddler's Creek Community Development District	✓			✓	9/30
Fishhawk I Community Development District	✓				9/30
Fishhawk II Community Development District	✓				9/30
Fleming Island Plantation Community Development District	✓			✓	9/30
Fountainbleau Lakes Community Development District	✓			✓	9/30
Forest Creek Community Development District	✓				9/30
Glen St. Johns Community Development District	✓				9/30
Grand Hampton Community Development District	✓				9/30
Grand Haven Community Development District	✓			✓	9/30
Greater Boca Raton Beach and Park District	✓			✓	9/30
Greater Lakes/Sawgrass Community Development District	✓			✓	9/30
Greenway Improvement District	✓			✓	9/30
Greyhawk Landing Community Development District	✓			✓	9/30
Groves Community Development District	✓				9/30
Habitat Community Development District	✓			✓	9/30
Hamal Community Development District	✓			✓	9/30
Hammocks Community Development District	✓			✓	9/30
Harbor Bay Community Development District	✓				9/30
Harbour Isles Community Development District	✓			✓	9/30
Harbourage at Braden River Community Development District	✓				9/30
Harmony Community Development District	✓			✓	9/30
Harrison Ranch Community Development District	✓			✓	9/30
Hawk's Point Community Development District	✓				9/30
Heritage Greens Community Development District	✓				9/30
Heritage Harbor Community Development District	✓				9/30
Heritage Harbour Market Place Community Development District	✓			✓	9/30
Heritage Harbour South Community Development District	✓			✓	9/30
Heritage Isles at Viera Community Development District	✓				9/30
Heritage Isles Community Development District	✓				9/30
Heritage Landing Community Development District	✓			✓	9/30
Heritage Oak Park Community Development District	✓			✓	9/30
Heritage Park Community Development District	✓			✓	9/30
Heritage Springs Community Development District	✓			✓	9/30
Hickory Hammock Community Development District	✓			✓	9/30
High Ridge/Quantum Community Development District	✓			✓	9/30

## SECTION VI.C. TECHNICAL PROPOSAL

### 5: SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENT ENTITIES

(Continued)

SPECIAL DISTRICTS (Continued)	Governmental Audit	Single Audit	Utility Audit	Current Client	Year End
Highlands Community Development District	✓			✓	9/30
Hobe-St. Lucie Conservancy District	✓			✓	9/30
Homestead 50 Community Development District	✓			✓	9/30
Homestead Educational Facilities Benefits District	✓			✓	9/30
Horizons Improvement District	✓			✓	9/30
Hypoluxo-Haverhill Community Development District	✓			✓	9/30
Independence Park Community Development District	✓			✓	9/30
Indigo East Community Development District	✓			✓	9/30
Islands at Doral III Community Development District	✓			✓	9/30
Islands at Doral (NE) Community Development District	✓			✓	9/30
Islands at Doral (SW) Community Development District	✓			✓	9/30
Islands at Doral Townhomes Community Development District	✓			✓	9/30
Journey's End Community Development District	✓			✓	9/30
Kendall Breeze Community Development District	✓			✓	9/30
Kendall Breeze West Community Development District	✓			✓	9/30
Key Largo Waste Water Treatment District	✓		✓	✓	9/30
Keys Cove Community Development District	✓			✓	9/30
Keys Cove II Community Development District	✓				9/30
Lake Ashton Community Development District	✓			✓	9/30
Lake Padgett Estates Independent Special District	✓			✓	9/30
Lake Powell Residential Golf Community Development District	✓			✓	9/30
Lakes by the Bay South Community Development District	✓			✓	9/30
Lakeshore Ranch Community Development District	✓			✓	9/30
Lakeside Community Development District	✓			✓	9/30
Lakeside Landings Community Development District	✓			✓	9/30
Lakeside Plantation Community Development District	✓				9/30
Lakewood Ranch 1 Community Development District	✓			✓	9/30
Lakewood Ranch 2 Community Development District	✓			✓	9/30
Lakewood Ranch 3 Community Development District	✓				9/30
Lakewood Ranch 4 Community Development District	✓			✓	9/30
Lakewood Ranch 5 Community Development District	✓			✓	9/30
Lakewood Ranch 6 Community Development District	✓				9/30
Lakewood Ranch Inter-District Authority	✓			✓	9/30
Legends Bay Community Development District	✓				9/30
Legacy Springs Community Development District	✓				9/30

## SECTION VI.C. TECHNICAL PROPOSAL

### 5: SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENT ENTITIES

(Continued)

SPECIAL DISTRICTS (Continued)	Governmental Audit	Single Audit	Utility Audit	Current Client	Year End
Lexington Community Development District	✓			✓	9/30
Live Oak No. 1 Community Development District	✓			✓	9/30
Longleaf Community Development District	✓				9/30
Lost Rabbit Public Improvement District	✓			✓	9/30
Loxahatchee Groves Water Control District	✓			✓	9/30
Lucaya Community Development District	✓				9/30
Madeira Community Development District	✓			✓	9/30
Magnolia Park Community Development District	✓			✓	9/30
Magnolia West Community Development District	✓				9/30
Main Street Community Development District	✓			✓	9/30
Mainstreet Community Development District	✓			✓	9/30
Majorca Isles Community Development District	✓			✓	9/30
Maple Ridge Community Development District	✓			✓	9/30
Marsh Harbour Community Development District	✓			✓	9/30
Marshall Creek Community Development District	✓				9/30
Mayfair Community Development District	✓			✓	9/30
Meadow Pines Community Development District	✓			✓	9/30
Meadow Point III Community Development District	✓				9/30
Meadow Woods Community Development District	✓				9/30
Mediterra North Community Development District	✓			✓	9/30
Mediterra South Community Development District	✓			✓	9/30
Mediterranea Community Development District	✓				9/30
Middle Village Community Development District	✓			✓	9/30
Miromar Lakes Community Development District	✓				9/30
Monterey/Congress Community Development District	✓			✓	9/30
Montecito Community Development District	✓			✓	9/30
Moody River Estates Community Development District	✓			✓	9/30
Myakka City Fire Control District	✓				9/30
Myrtle Creek Community Development District	✓			✓	9/30
Naples Heritage Community Development District	✓			✓	9/30
Narcoossee Community Development District	✓			✓	9/30
Newport Tampa Bay Community Development District	✓			✓	9/30
North Dade Community Development District	✓			✓	9/30
Northwood Community Development District	✓			✓	9/30
Oak Creek Community Development District	✓			✓	9/30

## SECTION VI.C. TECHNICAL PROPOSAL

### 5: SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENT ENTITIES

(Continued)

SPECIAL DISTRICTS (Continued)	Governmental Audit	Single Audit	Utility Audit	Current Client	Year End
Oakridge Community Development District	✓			✓	9/30
Oakstead Community Development District	✓			✓	9/30
Orchid Grove Community Development District	✓			✓	9/30
OTC Community Development District	✓			✓	9/30
Pal Mar Water Control District	✓			✓	9/30
Palm Bay Community Development District	✓			✓	9/30
Palm Beach Plantation Community Development District	✓			✓	9/30
Palm Coast Park Community Development District	✓			✓	9/30
Palm Glades Community Development District	✓			✓	9/30
Palma Sola Trace Community Development District	✓			✓	9/30
Pan American West Community Development District	✓				9/30
Panther Trace I Community Development District	✓				9/30
Parker Road Community Development District	✓			✓	9/30
Parklands Lee Community Development District	✓			✓	9/30
Parklands West Community Development District	✓			✓	9/30
Parkway Center Community Development District	✓			✓	9/30
PBR Community Development District	✓			✓	9/30
Pelican Marsh Community Development District	✓				9/30
Pentathlon Community Development District	✓			✓	9/30
Pine Air Lakes Community Development District	✓			✓	9/30
Pine Island Community Development District	✓			✓	9/30
Pine Island South Community Development District	✓				9/30
Pinellas Park Water Management District	✓			✓	9/30
Pinetree Water Control District	✓			✓	9/30
Piney-Z Community Development District	✓			✓	9/30
Poinciana Community Development District	✓			✓	9/30
Poinciana West Community Development District	✓			✓	9/30
Portico Community Development District	✓				9/30
Portofino Cove Community Development District	✓			✓	9/30
Portofino Isles Community Development District	✓			✓	9/30
Portofino Landings Community Development District	✓			✓	9/30
Portofino Shores Community Development District	✓				9/30
Portofino Springs Community Development District	✓			✓	9/30
Portofino Vista Community Development District	✓			✓	9/30
Preserve at Wilderness Lake Community Development District	✓			✓	9/30
Principal One Community Development District	✓			✓	9/30

## SECTION VI.C. TECHNICAL PROPOSAL

### 5: SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENT ENTITIES

(Continued)

SPECIAL DISTRICTS (Continued)	Governmental Audit	Single Audit	Utility Audit	Current Client	Year End
Quantum Community Development District	✓			✓	9/30
Quantum Park Overlay Community Development District	✓			✓	9/30
Randal Park Community Development District	✓			✓	9/30
Remington Community Development District	✓				9/30
Renaissance Community Development District	✓				9/30
Renaissance Improvement District	✓			✓	9/30
Reserve Community Development District	✓				9/30
Reserve 2 Community Development District	✓				9/30
Reunion East Community Development District	✓			✓	9/30
Reunion West Community Development District	✓			✓	9/30
River Bend Community Development District	✓				9/30
River Place on the St. Lucie Community Development District	✓			✓	9/30
River Ridge Community Development District	✓			✓	9/30
Rivercrest Community Development District	✓			✓	9/30
Rivers Edge Community Development District	✓			✓	9/30
Sail Harbour Community Development District	✓			✓	9/30
Sausalito Bay Community Development District	✓			✓	9/30
Seven Oaks I Community Development District	✓				9/30
Seven Oaks II Community Development District	✓				9/30
Six Mile Creek Community Development District	✓			✓	9/30
Somerset Community Development District	✓				9/30
Sonoma Bay Community Development District	✓			✓	9/30
South Bay Community Development District	✓			✓	9/30
South Fork Community Development District	✓			✓	9/30
South Fork East Community Development District	✓				9/30
South Indian River Water Control District	✓	✓		✓	9/30
South Kendall Community Development District	✓			✓	9/30
South Trail Fire Protection & Rescue District	✓			✓	9/30
South Village Community Development District	✓				9/30
Southern Hills Plantation I Community Development District	✓			✓	9/30
Southern Hills Plantation II Community Development District	✓			✓	9/30
Southern Hills Plantation III Community Development District	✓				9/30
Spicewood Community Development District	✓			✓	9/30
Split Pine Community Development District	✓				9/30
Springridge Community Development District (formerly Killamey)	✓			✓	9/30

## SECTION VI.C. TECHNICAL PROPOSAL

### 5: SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENT ENTITIES

(Continued)

SPECIAL DISTRICTS (Continued)	Governmental Audit	Single Audit	Utility Audit	Current Client	Year End
St. John's Forest Community Development District	✓			✓	9/30
Sterling Hill Community Development District	✓				9/30
Stonebrier Community Development District	✓			✓	9/30
Stonegate Community Development District	✓			✓	9/30
Stoneybrook Community Development District	✓			✓	9/30
Sun 'N Lakes of Sebring Improvement District	✓		✓	✓	9/30
Sunny Hills Units 12-15 Dependent District	✓			✓	9/30
Sunshine Water Control District	✓			✓	9/30
SWI Community Development District	✓			✓	9/30
Tampa Palms Community Development District	✓			✓	9/30
Tampa Palms Open Space and Transport Community Development District	✓			✓	9/30
Tara Community Development District	✓				9/30
Tesoro Community Development District	✓			✓	9/30
Thousand Oaks Community Development District	✓			✓	9/30
Tison's Landing Community Development District	✓				9/30
Tolomato Community Development District	✓				9/30
Town Center at Palm Coast Community Development District	✓			✓	9/30
Tradition Community Development District	✓				9/30
Trails at Monterey Community Development District	✓			✓	9/30
Trails Community Development District	✓			✓	9/30
Tree Island Estates Community Development District	✓			✓	9/30
Treeline Preserve Community Development District	✓			✓	9/30
Triple Creek Community Development District	✓			✓	9/30
Turnbull Creek Community Development District	✓			✓	9/30
Turtle Run Community Development District	✓				9/30
Tuscany Reserve Community Development District	✓			✓	9/30
Twelve Oaks Improvement District	✓			✓	9/30
Two Creeks Community Development District	✓			✓	9/30
University Place Community Development District	✓			✓	9/30
University Square Community Development District	✓				9/30
Urban Orlando Community Development District	✓			✓	9/30
Valencia Acres Community Development District	✓			✓	9/30
Vasari Community Development District	✓			✓	9/30
Venetian Community Development District	✓			✓	9/30
Venetian Isles Community Development District	✓			✓	9/30
Verandah East Community Development District	✓			✓	9/30

## SECTION VI.C. TECHNICAL PROPOSAL

### 5: SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENT ENTITIES

(Continued)

SPECIAL DISTRICTS (Continued)	Governmental Audit	Single Audit	Utility Audit	Current Client	Year End
Verandah West Community Development District	✓			✓	9/30
Verandahs Community Development District	✓			✓	9/30
Verano Center Community Development District	✓			✓	9/30
Verona Walk Community Development District	✓				9/30
Villa Portofino East Community Development District	✓			✓	9/30
Villa Portofino West Community Development District	✓			✓	9/30
Villa Vizcaya Community Development District	✓			✓	9/30
Village Walk of Bonita Springs Community Development District	✓				9/30
Villages at Bloomingdale Community Development District	✓				9/30
Village at Gulfstream Park Community Development District	✓			✓	9/30
Villages of Westport Community Development District	✓			✓	9/30
Vista Community Development District	✓			✓	9/30
Vista Lakes Community Development District	✓			✓	9/30
Vizcaya in Kendall Community Development District	✓			✓	9/30
Walnut Creek Community Development District	✓			✓	9/30
Waterchase Community Development District	✓			✓	9/30
Waterford Estates Community Development District	✓				9/30
Waterlfe Community Development District	✓				9/30
Water's Edge Community Development District	✓			✓	9/30
Waterset North Community Development District	✓			✓	9/30
Waterstone Community Development District	✓			✓	9/30
Wentworth Estates Community Development District	✓			✓	9/30
West Lake Community Development District	✓			✓	9/30
West Lakeland Water Control District	✓				9/30
West Villages Independent District	✓			✓	9/30
Westchester Community Development District	✓				9/30
Westridge Community Development District	✓				9/30
Winston Trails Community Development District	✓			✓	9/30
Willow Creek Community Development District	✓				9/30
Winter Garden Village at Fowler Groves Community Development District	✓			✓	9/30
Woodlands Community Development District	✓			✓	9/30
World Commerce Community Development District	✓			✓	9/30
Wyndam Park Community Development District	✓			✓	9/30
<b>TOTAL</b>	<b>341</b>	<b>2</b>	<b>5</b>	<b>261</b>	

## SECTION VI.C. TECHNICAL PROPOSAL

### 5: SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENT ENTITIES

(Continued)

RETIREMENT PLANS	Financial Audits	ERISA/DOL	Current Client	Year End
Campbell Property Management 401(k)	✓	✓	✓	12/31
City of Cooper City General Employee Retirement Plan	✓		✓	9/30
City of Lauderhill General Employee Retirement Plan	✓			9/30
City of Parkland Police Pension Fund	✓		✓	9/30
City of Sweetwater Police Officers Defined Benefit Retirement Plan	✓			9/30
Cross County Home Services and Affiliates 401(k) Plan	✓	✓	✓	9/30
Danmar Corporation 401(k) Plan	✓	✓		12/31
Florida Public Utilities 401(k) and Pension Plans	✓	✓		12/31
Jacksonville Police and Fire Pension Fund	✓		✓	9/30
Pinetree Water Control District Defined Contribution Retirement Plan	✓			9/30
Town of Davie General Employees Retirement Plan	✓		✓	9/30
Town of Hypoluxo Defined Contribution Retirement Plan	✓		✓	9/30
<b>TOTAL</b>	<b>12</b>	<b>4</b>	<b>7</b>	

OTHER GOVERNMENTAL ENTITIES	Attestation Services	Consulting Services	Governmental Audit	Single Audit	CAFR	Current Client	Year End
Broward County School District (Joint Venture) (Assessment of Maintenance Operations)		✓					N/A
Broward County School District (Joint Venture, 20%)			✓	✓	✓		6/30
Florida Community College at Jacksonville (Internal Audit)	✓						6/30
Florida Transit Association Finance Corporation		✓	✓			✓	6/30
Highland County School District (Internal Funds Audit)			✓				6/30
Miami-Dade County School District (Internal Audit – Quality Review)	✓						N/A
Palm Beach County School District (Assessment of maintenance for Facility and Property Management) (Internal Funds Audit)		✓	✓				6/30
Palm Beach County School District (Joint Venture, 20%)			✓	✓	✓		6/30
Migrant Health Services of Palm Beach County			✓	✓			N/A
South Florida Water Management District				✓			9/30
South Florida Water Management District (Joint Venture 10%)			✓		✓		9/30
South Florida Water Management District CERP Program Management Services (Joint Venture)	✓						N/A
State of Florida Department of Management Services (Construction)			✓				N/A
State of Florida Department of Transportation (Overhead Audit)			✓			✓	N/A
<b>TOTAL</b>	<b>3</b>	<b>3</b>	<b>9</b>	<b>4</b>	<b>3</b>	<b>2</b>	

## SECTION VI.C. TECHNICAL PROPOSAL

### 5: SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENT ENTITIES

(Continued)

NON-PROFIT CLIENTS SERVED AND RELATED EXPERIENCE	Attestation Services	Financial Audits	Consulting Services	Governmental Audit	Single Audit	Tax Services	Current Client	Year End
Aid to Victims of Domestic Abuse, Inc.		✓		✓	✓	✓	✓	6/30
Alliance for Human Services, Inc.		✓				✓	✓	6/30
Brevard Workforce Development Board, Inc.				✓	✓		✓	6/30
Broward County Human Rights Board/Division (Joint Venture, 30%)	✓		✓					N/A
Broward Education Foundation		✓		✓	✓	✓	✓	6/30
Christian Manor	✓	✓	✓	✓	✓	✓		12/31
Delray Beach Community Land Trust				✓		✓	✓	9/30
Hispanic Human Resources Council	✓	✓	✓	✓	✓	✓	✓	9/30
Mae Volen Senior Center	✓	✓		✓	✓	✓	✓	6/30
National Board for Registration of Registrars		✓				✓		3/31
National Cancer Registration Board		✓				✓		6/30
North Lauderdale Academy High School	✓			✓				6/30
Northwood Development Corporation	✓	✓	✓	✓	✓	✓		9/30
Palm Beach Community College Foundation			✓	✓		✓		6/30
Palm Beach County Workforce Development Board (Joint Venture, 25%)	✓							6/30
Southwest Florida Workforce Development Board				✓	✓			6/30
Urban League of Palm Beach County				✓	✓			6/30
<b>TOTAL</b>	<b>7</b>	<b>9</b>	<b>5</b>	<b>12</b>	<b>9</b>	<b>11</b>	<b>7</b>	

## SECTION VI.C. TECHNICAL PROPOSAL

### 6: SPECIFIC AUDIT APPROACH

#### *Grau's Understanding of Work Product / Scope of Services:*

We recognize the Town is an important entity and its responsibilities create a challenging and dynamic organization. We are confident our firm is eminently qualified to meet the challenges of this engagement and deliver quality audit services. ***You would be a valued client of our firm and we pledge to commit all firm resources to provide the level and quality of services (as described below) which not only meet the requirements set forth in the RFP but will exceed those expectations.*** Grau & Associates fully understands the scope of professional services and work products requested. Our audit will follow the Auditing Standards of the AICPA, *Generally Accepted Government Auditing Standards*, issued by the comptroller General of the United States, and the Rules of the Auditor General of the State of Florida and any other applicable Federal, State or Local regulations. We will deliver our reports in accordance with your requirements.

#### **a. Proposed segmentation of the engagement**

Our approach to the audit engagement integrates the best of traditional auditing techniques and a total systems concept to enable the team to conduct a more efficient and effective audit. The audit will be conducted in three phases, which are as follows:

#### **Phase I - Preliminary Planning**

A thorough understanding of your organization, service objectives and operating environment is essential for the development of an audit plan and for an efficient, cost-effective audit. During this phase, we will meet with appropriate personnel to obtain and document our understanding of your operations and service objectives and, at the same time, give you the opportunity to express your expectations with respect to the services that we will provide. Our work effort will be coordinated so that there will be minimal disruption to your staff.

#### **During this phase we will perform the following activities:**

- Review the regulatory, statutory and compliance requirements. This will include a review of applicable federal and state statutes, resolutions, contracts, and other agreements.
- Read minutes of meetings.
- Review major sources of information such as budgets, organization charts, procedures, manuals, financial systems, and management information systems.
- Obtain an understanding of fraud detection and prevention systems.
- Obtain and document an understanding of internal control. Consider the methods that are used to process accounting information which influence the design of the internal control. This understanding includes knowledge about the design of relevant policies, procedures, and records, and whether they have been placed in operation.
- Assess risk and determine what controls we are to rely upon and what tests we are going to perform. Perform test of controls.
- Develop audit programs to incorporate the consideration of financial statement assertions, specific audit objectives, and appropriate audit procedures to achieve the specified objectives.

## SECTION VI.C. TECHNICAL PROPOSAL

### **6: SPECIFIC AUDIT APPROACH** (Continued)

#### **Proposed segmentation of the engagement** (Continued)

##### **Phase I - Preliminary Planning** (Continued)

- Discuss and resolve any accounting, auditing and reporting matters which have been identified.

##### **Phase II – Execution of Audit Plan**

The audit team will complete a major portion of transaction testing and audit requirements during this phase. The procedures performed during this period will enable us to identify any matter that may impact the completion of our work or require the attention of management. Tasks to be performed in Phase II include, but are not limited to the following:

- Apply analytical procedures to further assist in the determination of the nature, timing, and extent of auditing procedures used to obtain evidential matter for specific account balances or classes of transactions.
- Perform tests of account balances and transactions through sampling, vouching, confirmation and other analytical procedures.
- Perform tests of compliance.

##### **Phase III - Completion and Delivery**

In this phase of the audit, we will complete the tasks related to year-end balances and financial reporting. All reports will be reviewed with management before issuance, and the partners will be available to meet and discuss our report and address any questions. Tasks to be performed in Phase III include, but are not limited to the following:

- Perform final analytical procedures.
- Review information and make inquiries for subsequent events.
- Meeting with Management to discuss preparation of draft financial statements and any potential findings or recommendations.

You should expect more from your accounting firm than a signature in your annual financial report. Our concept of truly responsive professional service emphasizes taking an active interest in the issues of concern to our clients and serving as an effective resource in dealing with those issues. In following this approach, we not only audit financial information with hindsight but also consider the foresight you apply in managing operations.

Application of this approach in developing our management letter is particularly important given the increasing financial pressures and public scrutiny facing today's public officials. We will prepare the management letter at the completion of our final procedures.

In preparing this management letter, we will initially review any draft comments or recommendations at with management where direct responsibility for the activity under question rests. Only after the initial communication, will we discuss pertinent issues with higher-level officials.

## SECTION VI.C. TECHNICAL PROPOSAL

### 6: SPECIFIC AUDIT APPROACH (Continued)

#### Proposed segmentation of the engagement (Continued)

#### Phase III - Completion and Delivery (Continued)

We will discuss with Management each of the following:

- The auditor's responsibility under generally accepted auditing standards;
- Significant accounting policies;
- Management judgments and accounting estimates;
- Significant audit adjustments;
- Other information in documents containing audited financial statements;
- Disagreements with management;
- Management consultation with other accountants;
- Major issues discussed with management prior to retention; and
- Difficulties encountered in performing the audit.

Any criticism of operations will be constructive, and whenever recommendations have been already identified by internal staff, the letter will so state. Our findings will contain a statement of condition describing the situation and the area that needs strengthening, what should be corrected and why. Our suggestions will withstand the basic tests of corrective action:

- The recommendation must be cost effective;
- The recommendations are to be the simplest to effectuate in order to correct a problem;
- The recommendation must go to the heart of the problem and not just correct symptomatic matter; and
- The corrective action must take into account why the deficiency occurred.

We wish to assist you in identifying and solving problems *before* they become critical. Our personnel's diverse experience, and their independent and objective views, ensures valuable and meaningful comments, observations, and conclusions as presented in our management letters.

#### **b. Level of Staff to be assigned**

Level of staff to be assigned and estimated number of hours to be assigned to each proposed segment.

#### CAFR ONLY

	Partner	Manager	Senior	Staff	Total
Preliminary Planning	10	10	20		40
Perform Audit Plan		50	50	60	160
Completion and Delivery	10	20	20		50
	20	80	90	60	250

## SECTION VI.C. TECHNICAL PROPOSAL

### 6: SPECIFIC AUDIT APPROACH (Continued)

#### c. Type and extent of analytical procedures to be used in the engagement

Statement of Auditing Standards on *Analytical Procedures* provides guidance on the use and extent of analytical procedures in all audits. Analytical procedures are required in the planning and overall review stages of the audit, and are used in the following areas:

##### ***Audit Planning***

Analytical procedures can provide great insight in planning an audit. These analyses can enhance our understanding of transactions and events that may have occurred during the year under audit.

##### ***Substantive Tests***

Analytical procedures can be used as effective substantive tests in certain circumstances, for example, testing certain payroll related expenditures, such as payroll taxes, which are a specific percent of wages.

##### ***Overall Review***

Analytical procedures used at the conclusion of the audit are designed to assess the conclusions reached and evaluate the overall financial statement presentation.

#### d. Approach to be taken to gain and document an understanding of the internal control structure

The internal control segment is the foundation for the entire audit and involves an extensive understanding and evaluation of operating and management information systems and all related internal controls. The results of this evaluation will influence the nature, timing and extent of our substantive audit procedures. This approach ensures that we achieve maximum efficiency and provides valuable feedback to management regarding the effectiveness of controls being relied upon throughout the year. We will also increase our sample size with respect to test of procurement as stated in Section II F. Special Considerations, for the fiscal year ended September 30, 2010.

Once we have obtained an understanding of the design of relevant policies and procedures, we will determine whether such procedures have been placed in operation and assess control risk. This begins by holding interviews with personnel and evaluating the internal system and accounting documentation. We will then prepare documentation of the major systems. To the extent it is available we will also use internal control documentation currently available.

#### e. Approach to be taken in determining laws and regulations that will be subject to audit test work

The auditor must consider laws and regulations that have a direct and material effect on the financial statements. Further, the auditor designs audit procedures to provide reasonable assurance that the financial statements are free of material misstatements resulting from violations of these laws and regulations that have a direct and material impact on the financial statements. Identifying applicable laws and regulations is fundamental to fulfilling the responsibility of understanding their effects. We will obtain this knowledge from various sources including:

## SECTION VI.C. TECHNICAL PROPOSAL

### **6: SPECIFIC AUDIT APPROACH** *(Continued)*

#### **e. Approach to be taken in determining laws and regulations that will be subject to audit test work** *(Continued)*

- Discussion of compliance requirements with management and the governing body.
- Identification of compliance matters in statutes, financial ordinances, policies, contracts, and agreements.
- Our existing knowledge of laws.

In addition, we will obtain and read grant documents and will make inquiries to your personnel about restrictions, limitations, terms and conditions under which grants were provided.

#### **f. Approach to be taken in drawing audit samples for purposes of tests of compliance.**

Tests of compliance with laws and regulations are included with the tests of transactions and controls, when practical. Additional samples are sometimes necessary to test specific laws and regulations as well as for testing federal and state awards. Sample sizes for compliance testing are determined based on the number of transactions and the relative significance of the requirement.

#### **g. Sample size and the extent to which statistical sampling is to be used in the engagement**

Our professionals will utilize sampling methodologies designed to ensure effective audit procedures are applied in the most efficient manner.

##### Sampling Techniques

We will utilize representative audit sampling procedures with respect to tests of transactions and tests of controls, where a sample of documentation is to be tested as the principal evidence of a control. During tests of controls, the tests will generally consist of a combination of corroborative inquiry and either observation, examination of documents or re-performance. We will use attribute sampling to test documentary evidence as documentation will be the prime corroborative evidence of identified controls.

##### Statistical and Non-statistical Sampling

Tests of transactions and tests of controls can be performed using either statistically or non-statistically based techniques. Statistical approaches will be based on our calculation of risk factors. If a non-statistical approach is deemed appropriate, we will design our procedures to obtain levels of assurance that we judge to be equivalent to those required when using statistically based techniques.

##### Sample Sizes

For tests of controls, sample size will be based on the planned or supported assessed level of control risk and the number of planned or actual deviations expected. For transactions testwork, sample size will be a function of population, materiality, and risk factors.

## SECTION VI.C. TECHNICAL PROPOSAL

### **6: SPECIFIC AUDIT APPROACH** *(Continued)*

#### **h. Extent of use of EDP software in the engagement**

We are actively committed to using computer-based audit techniques. Our knowledge of information systems (IS) and the use of personal computers yield significant savings in the time required to complete an audit. Today's marketplace provides firms, large and small, national and local, with sophisticated computer-aided audit tools necessary to perform data analysis and report generation. Software products, such as Audit Command Language (ACL) for Windows, are used to analyze data and produce reports.

A client's IS environment influences the nature, timing, and extent of planned auditing procedures. Because most of our clients utilize computerized accounting systems, our professional team is experienced with various IS systems. As computers have become more integral to the financial management system, we have met the challenge by incorporating new audit techniques into the audit process. Staff members are trained on new software and are skilled in a wide variety of computerized applications.

#### **Communications**

We emphasize a continuous, year-round dialogue between the Town and our management team. We believe this continuous, open communication is critical to serving your needs.

### **7: IDENTIFICATION OF ANTICIPATED AUDIT PROBLEMS**

Grau & Associates does not anticipate any potential audit problems.

## SECTION VI.C. TECHNICAL PROPOSAL

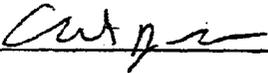
### APPENDICES REQUIRED:

- A: QUALIFIER'S WARRANTIES
- B: PUBLIC ENTITY CRIMES STATEMENT
- C: NON-COLLUSION AFFIDAVIT
- D: ACKNOWLEDGEMENT OF ADENDA
- E: INDEPENDENCE AFFIDAVIT

APPENDIX A

WARRANTIES

- A. Proposer warrants that it is willing and able to comply with State of Florida laws with respect to foreign (non-state of Florida) corporations.
- B. Proposer warrants that it is willing and able to obtain an errors and omissions insurance policy providing a prudent amount of coverage for the willful or negligent acts, or omissions of any officers, employees or agents thereof in amounts in compliance with the requirements of this RFP.
- C. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement with Town without the prior written permission of the Town.
- D. Proposer warrants that all information provided by it in connection with this RFP is true and accurate.

Signature of Official: 

Name (typed): Antonio J. Grau

Title: President

Firm: Grau & Associates

Date: July 9, 2010

APPENDIX B

SWORN STATEMENT ON PUBLIC ENTITY CRIMES  
SECTION 287.133, FLORIDA STATUTES

THIS FORM MUST BE SIGNED AND SWORN TO IN THE PRESENCE OF A NOTARY PUBLIC  
OR OTHER OFFICIAL AUTHORIZED TO ADMINISTER OATHS.

1. This sworn statement is submitted to Lauderdale-By-The-Sea

By Antonio J. Grau  
[print individual's name and title]

For Grau & Associates  
[print name of entity submitting sworn statement]

whose business address is

2700 North Military Trail, Suite 350

Boca Raton, Florida 33431

and (if applicable) its Federal Employer Identification Number (FEIN) is 20-2067322

(If the entity has no FEIN, include the Social Security Number of the individual signing this sworn statement: \_\_\_\_\_).

2. I understand that a "public entity crime" as defined in Paragraph 287.133(1)(g), Florida Statutes, means a violation of any state or federal law by a person with respect to and directly related to the transaction of business with any public entity or with an agency or political subdivision of any other state or the United States, including, but not limited to, any bid or contract for goods and services to be provided to any public entity or an agency or political subdivision of any other state or of the United States involving antitrust, fraud, theft, bribery, collusion, racketeering, conspiracy, or material misrepresentation.
3. I understand that "convicted" or "conviction" as defined in Paragraph 287.133(1)(b), Florida Statutes, means a finding of guilt or a conviction or a public entity crime, with or without an adjudication of guilt, in any federal or state trial court of record relating to charges brought by indictment or information after July 1, 1989, as a result of a jury verdict, nonjury trial, or entry of a plea of guilty or nolo contendere.
4. I understand that an "affiliate" as defined in Paragraph 287.133(1)(a), Florida Statutes, means:
- A predecessor or successor of a person convicted of a public entity crime; or
  - An entity under the control of any natural person who is active in the management of the entity and who has been convicted of a public entity crime. The term "affiliate" includes those officers, directors, executives, partners, shareholders, employees, members, and agents

who are active in the management of an affiliate. The ownership by one person of shares constituting a controlling interest in another person, or a pooling of equipment or income among persons when not for fair market value under an arm's length agreement, shall be a prima facie case that one person controls another person. A person who knowingly enters into a joint venture with a person who has been convicted of a public entity crime in Florida during the preceding 36 months shall be considered an affiliate.

5. I understand that a "person" as defined in Paragraph 287.133(1)(e), Florida Statutes, means any natural person or entity organized under the laws of any state or of the United States with the legal power to enter into a binding contract and which bids or applies to bid on contracts for the provision of goods or services let by a public entity, or which otherwise transacts or applies to transact business with a public entity. The term "person" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in the management of an entity.
6. Based on information and belief, the statement that I have marked below is true in relation to the entity submitting this sworn statement. [Indicate which statement applies.]

  X   Neither the entity submitting this sworn statement, nor any officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, nor any affiliate of the entity, has been charged with and convicted of a public entity crime subsequent to July 1, 1989.

       The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989.

       The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989. However, there has been a subsequent proceeding before a Hearing Officer of the State of Florida, Division of Administrative Hearings and the Final Order entered by the Hearing Officer determined that it was not in the public interest to place the entity submitting this sworn statement on the convicted vendor list, [attach a copy of the final order]

I UNDERSTAND THAT THE SUBMISSION OF THIS FORM TO THE CONTRACTING OFFICER FOR THE PUBLIC ENTITY IDENTIFIED IN PARAGRAPH 1 ABOVE IS FOR THAT PUBLIC ENTITY ONLY AND, THAT THIS FORM IS VALID THROUGH DECEMBER 31 OF THE CALENDAR YEAR IN WHICH IT IS FILED. I ALSO UNDERSTAND THAT I AM REQUIRED TO INFORM THE PUBLIC ENTITY PRIOR TO ENTERING INTO A CONTRACT IN EXCESS OF THE THRESHOLD AMOUNT PROVIDED IN SECTION 287.017, FLORIDA STATUTES, FOR CATEGORY TWO OF ANY CHANGE IN THE INFORMATION CONTAINED IN THIS FORM.

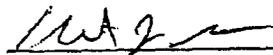


APPENDIX C

NON-COLLUSION AFFIDAVIT

The undersigned individual, being duly sworn, deposes and says that:

1. He / She is Antonio J. Grau of Grau & Associates, the proposer that has submitted the attached proposal;
2. He / She is fully informed respecting the preparation and contents of the attached proposal and of all pertinent circumstances respecting such proposal;
3. Such proposal is genuine and is not a collusive or sham proposal;
4. Neither said proposer nor any of its officers, partners, owners, agents, representatives, employees, or parties in interest, including this affiant, has in any way colluded, connived, or agreed, directly or indirectly, with any other proposer, firm or person to submit a collusive or sham proposal in connection with the agreement for which the attached proposal has been submitted or to refrain from qualifying in connection with such agreement, or has in any manner, directly or indirectly, sought by agreement of collusion or communication of conference with any other proposer, firm, or person to fix the price or prices, or of any other proposer, or to fix any overhead, profit or cost element of the RFP or the response of any other proposer, or to secure through any collusion, connivance, or unlawful agreement any advantage against Lauderdale-By-The-Sea, Florida, or any person interested in the qualified agreement; and
5. The response to the attached RFP is fair and proper and is not tainted by any collusion, conspiracy, connivance, or unlawful agreement on the part of the proposer or any of its agents, representatives, owners, employees, or parties in interest, including this affiant.

  
Signature (Blue ink only)

Antonio J. Grau  
Print Name

President  
Title

July 9, 2010  
Date

Witness my hand and official notary seal/stamp at \_\_\_\_\_ the day and year written above.

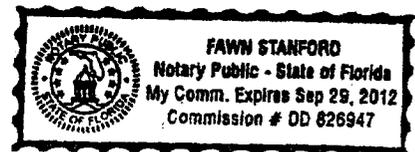
STATE OF FLORIDA )  
 )SS:  
COUNTY OF Palm Beach )

BEFORE ME, an officer duly authorized by law to administer oaths and take acknowledgments, personally appeared Antonio J. Grau as President of Grau & Associates, an organization authorized to do business in the State of Florida, and acknowledged executing the foregoing Affidavit as the proper official of Grau & Associates for the use and purposes mentioned in the Affidavit and affixed the official seal of the corporation, and that the instrument is the act and deed of that corporation. He / She is personally known to me or has produced \_\_\_\_\_ as identification.

IN WITNESS OF THE FOREGOING, I have set my hand and official seal at in the State and County aforesaid on this 9th day of July, 20010 ..

Fawn Stanford  
NOTARY PUBLIC

My Commission Expires: Sept 29, 2011



**APPENDIX D**

**ACKNOWLEDGMENT OF ADDENDA**

The proposer hereby acknowledges the receipt of the following addenda issued by the Town and incorporated into and made part of this RFP. In the event the proposer fails to include any such addenda in the table below, submission of this form shall constitute acknowledgment of receipt of all addenda, whether or not received by him/her.

ADDENDUM NUMBER	DATE RECEIVED	PRINT NAME	TITLE	SIGNATURE (BLUE INK ONLY)
N/A	7/12/10	Antonio J. Grau	President	

**[THIS SPACE INTENTIONALLY LEFT BLANK]**

**APPENDIX E**  
**INDEPENDENCE AFFIDAVIT**

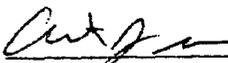
The undersigned individual, being duly sworn, deposes and says that:

1. He / She is Antonio J. Grau of Grau & Associates, the proposer that has submitted the attached proposal;
2. (a) Below is a list and description of any relationships, professional, financial or otherwise that proposer may have with the Town, its elected or appointed officials, its employees or agents or any of its agencies or component units for the past five (5) years.  
  
(b) Additionally, the proposer agrees and understands that proposer shall give the Town written notice of any other relationships professional, financial or otherwise that proposer enters into with the Town, its elected or appointed officials, its employees or agents or any of its agencies or component units during the period of this agreement.

(If paragraph 2(a) above does not apply, please indicate by stating, "not applicable" in the space below.)

Not applicable

I have/have not (circle one) attached an additional page to this form explaining why such relationships do not constitute a conflict of interest relative to performing the services sought in the RFP.

  
\_\_\_\_\_  
Signature (Blue ink only)

Antonio J. Grau  
\_\_\_\_\_  
Print Name

President  
\_\_\_\_\_  
Title

July 9, 2010  
\_\_\_\_\_  
Date

Witness my hand and official notary seal/stamp at \_\_\_\_\_ the day and year written above

STATE OF FLORIDA )  
 )SS:  
COUNTY OF Palm Beach )

BEFORE ME, an officer duly authorized by law to administer oaths and take acknowledgments, personally appeared Antonio J. Grau as President of Grau & Associates, an organization authorized to do business in the State of Florida, and acknowledged executing the foregoing Affidavit as the proper official of Grau & Associates for the use and purposes mentioned in the Affidavit and affixed the official seal of the corporation, and that the instrument is the act and deed of that corporation. He / She is personally known to me or has produced \_\_\_\_\_ as identification.

IN WITNESS OF THE FOREGOING, I have set my hand and official seal at in the State and County aforesaid on this 9<sup>th</sup> day of July, 20010.

Fawn Stanford  
NOTARY PUBLIC

My Commission Expires:



## SECTION VI.C. TECHNICAL PROPOSAL

### ATTACHMENTS REQUIRED:

- CERTIFICATES OF INSURANCE



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
3/12/2010

PRODUCER (954) 382-4350, Fax (954) 382-2810  
**SETNOR BYER INSURANCE & RISK**  
 7901 SW 6th Court  
 Suite 430  
 Plantation FL 33324

INSURED  
**ANTONIO J GRAU, CPA, PA**  
**DBA GRAU & ASSOCIATES**  
 2700 N. MILITARY TRAIL #350  
 BOCA RATON FL 33431

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: Hartford Casualty Ins Co	
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

### COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR	INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS
A		GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	21SBARM5295	01/01/2010	01/01/2011	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
A		AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	21SBARM5295	01/01/2010	01/01/2011	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ GARAGE LIABILITY <input type="checkbox"/> ANY AUTO AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EA ACC \$ AGG \$
A		EXCESS / UMBRELLA LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$ 10,000	21SBARM5295	01/01/2010	01/01/2011	EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000 \$ \$ \$ \$
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under SPECIAL PROVISIONS below <input type="checkbox"/> Y/N OTHER				WC STATUTORY LIMITS <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

**CERTIFICATE HOLDER**  
 (561) 994-5823 [fstanford@graucpa.com](mailto:fstanford@graucpa.com)  
 Antonio J Grau, CPA, PA  
 dba Grau & Associates  
 2700 N Military Trail  
 Suite 350  
 Boca Raton, FL 33431

**CANCELLATION**  
 SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.  
 AUTHORIZED REPRESENTATIVE  
 Daniel Saunders/DANNY



750 East Prospect Road  
 Fort Lauderdale, FL 33334  
 Telephone: 954.563.1841  
 Toll Free: 888.GWI.RISK  
 Facsimile: 954.563.1849  
 LYNETTE C. WELLS A215440

**DECLARATIONS**

**ACCOUNTANTS PROFESSIONAL LIABILITY INSURANCE POLICY**

Policy Number: FLL104335-04

Effective Date: 01/01/2010 at 12:01 A.M. Standard time at the address shown below  
 Expiration Date: 01/01/2011 at 12:01 A.M. Standard time at the address shown below  
 Retroactive Date: 01/01/2006

Item 1 - Named Insured: Antonio J. Grau, CPA, P.A. d/b/a Grau and Associates  
 Item 2 - Business Address: 2700 N. Military Trail, Suite 350  
 Boca Raton, FL 33431

Item 3 - Limits of Liability: \$2,000,000 Per Claim  
 \$2,000,000 Policy Aggregate

Item 4 - Deductibles: \$5,000 Per Claim Deductible

Item 5a - Total Premium:  
 Item 5b - FL Hurricane Catastrophe Fund Surcharge:  
 Item 5c - Total Amount:

Item 6 - The policy consists of this Declarations page, and the following policy forms and endorsements:

PL-1000-A Accountants Professional Liability Insurance Policy  
 PL-2037-A (FL) State Endorsement - Florida  
 PL-1015-A Separate Defense Limit  
 PL-1026-A Limited Coverage for Known Claims  
 PL-1007-A Exclusion - Claims Following Insureds Suit for Fees  
 PL-1038-A Privacy And Client Network Damage Endorsement

**NOTICE OF TERRORISM INSURANCE COVERAGE:** Coverage for acts of terrorism as defined under the Terrorism Risk Insurance Act of 2002 ("TRIA") is already included in your current policy. You should know that, effective November 26, 2002, under your existing coverage, any losses caused by certified acts of terrorism would be partially reimbursed by the United States under a formula established by federal law. Under this formula, the United States pays 90% of covered terrorism losses exceeding the statutorily established deductible paid by CAMICO Mutual Insurance Company. The portion of your annual premium that is attributable to coverage for acts of terrorism is: \$0.

**PLEASE READ THESE DECLARATIONS, THE POLICY AND ENDORSEMENTS CAREFULLY.**

CAMICO Mutual Insurance Company

Authorized Representative



## ADDITIONAL SERVICES

### CONSULTING / MANAGEMENT ADVISORY SERVICES

Grau also provides a broad range of other management consulting services. Our expertise has been consistently utilized by Governmental and Non-Profit entities throughout Florida. Examples of engagements performed are as follows:

- Accounting systems
- Development of budgets
- Organizational structures
- Financing alternatives
- Fixed asset records
- Cost reimbursement
- Indirect cost allocation
- Grant administration and compliance

### ARBITRAGE

The federal government has imposed complex rules to restrict the use of tax-exempt financing. Their principal purpose is to eliminate any significant arbitrage incentives in a tax-exempt issue. We have determined the applicability of these requirements and performed the rebate calculations for more than 150 bond issues, including both fixed and variable rate bonds. Please find a partial list of clients served on Page 38.