

AGREEMENT

Between

CITY OF GREENACRES

And

Nowlen, Holt Miner, P.A.

For

FINANCIAL AUDIT SERVICES

RFP NO. 15-003

This is an Agreement between the CITY OF GREENACRES, a municipal corporation of the State of Florida, (hereinafter the "CITY"), through its City Council;

AND

Nowlen, Holt & Miner, P.A. and assigns, (hereinafter "FIRM"). This agreement is dated May 18, 2015.

W I T N E S S E T H, in consideration of the mutual terms and conditions, promises, covenants, and payments hereinafter set forth, CITY and FIRM agree as follows:

ARTICLE I - SCOPE OF SERVICES

FIRM agrees to provide the services as specifically stated in RFP 15-003 - Financial Audit Services, Proposal attached hereto as Exhibit "A", and by this reference made a part hereof and as may be specifically designated and additionally authorized by the CITY. During the course of this Agreement, CITY management may require consulting services at the rates provided on the Schedule of Professional Fees and Expenses attached hereto as Exhibit "B". Such additional authorizations will be in the form of a Purchase Order. Each Purchase Order will set forth a specific Scope of Services, the amount of compensation and completion date.

ARTICLE II - TERM

This Agreement provides for the Financial Audit Services as described in the Request for Proposal 15-003 Financial Audit Services. A five (5) year Agreement is contemplated, subject to annual review and the satisfactory performance of audit services.

The term of this Agreement shall be for one (1) year beginning September 1, 2015 and ending August 31, 2016. At the end of each one (1) year period, this Agreement may, at the City's sole option, be extended for up to four (4) additional one (1) year terms upon sixty (60) days prior written notice to the FIRM.

The CITY will have all records available for auditors and all management personnel available to meet with FIRM'S personnel as required. The Department of Finance shall prepare draft notes and all required supplementary schedules (statistical data) by December 23rd. All audit services shall be completed by the dates set forth in RFP.

ARTICLE III - COMPENSATION AND METHOD OF PAYMENT

- A. CITY shall issue a purchase order, citing this Request for Proposal and Agreement as authority, based upon the pricing as negotiated and attached as Exhibit "B". This purchase order shall provide the FIRM the authority to proceed with the work. The FIRM shall invoice the City of Greenacres at the address shown on the purchase order based on the price contained in each purchase order, and the amount stated by the FIRM on Exhibit "B".
- B. FIRM acknowledges and agrees that CITY has established a schedule for completion of CITY'S annual audit process. The following tasks 1-5 are the projected completion dates and with mutual consent can be adjusted.
 - 1. August 31 - FIRM shall complete both a detailed audit plan and a list of all schedules to be prepared by CITY personnel;
 - 2. October 15 - FIRM shall complete all interim auditing work;
 - 3. December 15 - FIRM shall complete all audit field work; and
 - 4. December 31 - FIRM shall provide CITY a draft of the CAFR for review.
 - 5. January 31 - FIRM shall provide CITY final CAFR.

If FIRM fails to meet the January 31 final CAFR deadline, FIRM shall reimburse the CITY any damages incurred by CITY, not to exceed \$250 per day for each day, FIRM fails to deliver the final CAFR. Nothing herein shall affect or impact CITY's rights as set forth in Section 7.1 of this agreement.

ARTICLE IV - STANDARD OF CARE

FIRM shall exercise the same degree of care, skill, and diligence in the performance of the Services as is ordinarily provided by a professional auditor under similar circumstances and FIRM shall, at no additional cost to the CITY, re-perform services which fail to satisfy the foregoing standard of care.

ARTICLE V - MODIFICATION OF AGREEMENT TERMS

The terms of this Agreement may be modified by mutual consent to increase or decrease the scope of work, or for such other purposes as shall become necessary. Such amendments shall be accomplished in writing as an addendum to the Agreement.

ARTICLE VI - RECORDS

FIRM shall keep such records and accounts and require any and all agencies and sub-agencies to keep records and accounts as may be necessary in order to record complete and correct entries as to the services rendered hereunder. Such books and records will be available at all reasonable times for examination and audit by CITY and shall be kept for a period of three (3) years after the completion of all work to be performed pursuant to this Agreement. Incomplete and incorrect entries in such books and records will be grounds for CITY'S disallowance of any fees based upon such entries.

ARTICLE VII - MISCELLANEOUS

7.1 TERMINATION

This Agreement may be terminated by either party for cause, or by CITY for convenience, upon thirty (30) days written notice from the terminating party to other party. In the event of such termination, the FIRM shall be paid its compensation for services delivered prior to termination date. In the event that the FIRM abandons this Agreement or causes it to be terminated by CITY, the Firm shall indemnify CITY against any loss pertaining to this termination.

For purposes of this Agreement, termination by CITY for cause includes, but is not limited to, the following:

1. FIRM'S failure to keep, perform, and observe each and every provision of this Agreement and such failure continues for a period of more than seven (7) days after delivery to the FIRM of a written notice of such breach or default; and/or
2. FIRM'S abandonment of the work and/or failure to meet scheduled deliveries by the dates specified herein; and/or
3. Any material misrepresentation, written or oral, made by the FIRM to the CITY; and/or
4. Failure by the FIRM to timely perform and/or observe any or all of the covenants, rules, regulations, guidelines or terms and conditions of this Agreement; and/or
5. The FIRM becomes insolvent, or takes the benefit of any present or future insolvency statute, or makes a general assignment for the benefit of creditors, or files a voluntary petition in bankruptcy or a petition or answer seeking an arrangement of its reorganization, or the readjustment of its indebtedness under the Federal Bankruptcy laws, or under any other law or statute of the United States or any state thereof, or consents to the appointment of a receiver, trustee or liquidator of all or substantially all of its property, or has a petition under any present or future insolvency laws or statute, filed against it, which petition is not dismissed within thirty (30) days after the filing thereof; and/or

6. Any assignment by the FIRM of any choice in action or any assignment of this Agreement in whole or in part, or any of the FIRM'S rights and obligations hereunder;

7.2 EQUAL OPPORTUNITY EMPLOYMENT

FIRM agrees that it will not discriminate against any employee or applicant for employment for work under this Agreement because of race, color, religion, sex, age, national origin, or disability and will take affirmative steps to ensure that applicants are employed and employees are treated, during employment, without regard to race, color, religion, sex, age, national origin or disability. This provision shall include, but not be limited to, the following: employment upgrading, demotion or transfer; recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeships.

7.3 PUBLIC ENTITY CRIMES ACT

In accordance with Section 287.133, Florida Statutes, FIRM through execution of this Agreement, certifies that it is not listed on the convicted vendors list maintained by the State of Florida, Department of General Services.

7.4 ASSIGNMENT

This Agreement, or any interest herein, shall not be assigned, transferred or otherwise encumbered by FIRM, under any circumstances, without the prior written consent of CITY.

7.5 INDEMNIFICATION OF CITY

7.5.1 FIRM shall at all times hereafter, indemnify, hold harmless and defend CITY, its agents, and employees from and against any claim, demand or cause of action of any kind or nature arising out of error, omission or negligent act of FIRM, its agents, or employees in the performance of services under this Agreement.

7.5.2 FIRM further agrees, at all times hereafter, to indemnify, hold harmless and defend CITY, its agents, and employees from and against any claim, demand or cause of action of any kind or nature arising out of any conduct or misconduct of FIRM resulting from the performance of services under this Agreement for which CITY, its agents, or employees are alleged to be liable.

7.5.3 FIRM acknowledges and agrees that CITY would not enter into this Agreement without this indemnification of CITY by FIRM, and that CITY'S entering into this Agreement shall constitute good and sufficient consideration for this indemnification. These provisions shall survive the expiration or earlier termination of this Agreement. Nothing in this Agreement shall be construed to affect in any way the CITY'S rights, privileges, and immunities as set forth in Florida Statutes 768.28.

7.6

INSURANCE

- 7.6.1 FIRM shall provide, pay for, and maintain in force at all times during the services to be performed, insurance, to include Workers' Compensation Insurance, General Liability Insurance, and Professional Liability Insurance with minimum coverage of at least \$1,000,000.00.

Such policy or policies shall be issued by United States Treasury, approved companies authorized to do business in the State of Florida, and having agents upon whom service of process may be made in the State of Florida. FIRM shall specifically protect CITY by naming the CITY OF GREENACRES, as an additional insured under the Policies hereinafter described.

Notice of Cancellation and/or Restriction: The policy or policies must be endorsed to provide CITY with thirty (30) days notice of cancellation and/or restriction.

- 7.6.2 Worker's Compensation Insurance to apply for all employees in compliance with the Workers Compensation Law of the State of Florida and such state where work is performed and all applicable federal laws.

- 7.6.3 Comprehensive General Liability Insurance with minimum limits of One Million Dollars (\$1,000,000.00) per occurrence combined single limit for Bodily Injury Liability and Property Damage Liability. Coverage must be afforded on a form no more restrictive than the latest edition of the Comprehensive General Liability Policy, without restrictive endorsements, as filed by the Insurance Services Office, and must include:

- Premises and/or Operations.
- Independent firms.
- Broad Form Property Damage.
- Broad Form Contractual Coverage applicable to this Specific Agreement.

Personal Injury Coverage with employee and contractual exclusions removed with minimum limits of coverage equal to those required for Bodily Injury Liability and Property Damage Liability.

The CITY is to be named as additional insured with FIRM to liability arising out of operations performed for CITY by or on behalf of FIRM or acts or omissions of FIRM in connection with such operation.

Notice of Cancellation and/or Restriction: The policy or policies must be endorsed to provide CITY with thirty (30) days notice of cancellation and/or restriction.

- 7.6.4 Professional Liability Insurance: The limits of liability provided by such policy shall be no less than one million dollars (\$1,000,000.00).

7.6.5 FIRM shall provide to CITY prior to the effective date of this Agreement, a Certificate of Insurance or a copy of all insurance policies required by Section 7.6 including any subsection thereunder. CITY reserves the right to require a certified copy of such policies upon request. All endorsements and certificates shall state that CITY shall be given thirty (30) days written notice prior to expiration or cancellation of the policy.

7.6.6 FIRM hereby acknowledges and agrees that any and all risk of loss regarding the services provided hereunder shall be solely borne by FIRM until delivery and acceptance by CITY of the services.

7.7 PERFORMANCE OF WORK BY FIRM/SUBCONTRACTORS

7.7.1 It is expressly agreed that FIRM is, and shall be in the performance of all work, services, and activities under this Agreement an independent contractor and not an employee, agent, or servant of the CITY. All persons engaged in any work, service or activity performed pursuant to this Agreement shall at all times and in all places be subject to FIRM'S sole direction, supervision and control. FIRM shall exercise control over the means and manner in which it and its employees perform and work, and FIRM'S relationship and the relationship of its employees to the CITY shall be that of an independent contractor and not as employees or agents of the CITY.

7.7.2 In the event FIRM, during the term of this Agreement, requires the services of any subcontractors or other professional associates in connection with services covered under this Agreement, FIRM must secure the prior written approval of CITY'S Purchasing Agent. Any subcontractor authorized to perform under this Agreement shall be required to possess the same insurance coverage as enumerated in Paragraph 7.6 herein.

7.8 LAWS AND REGULATIONS

It is further understood by the parties that FIRM will, in carrying out its duties and responsibilities under this Agreement, abide by all federal, state and local laws.

7.9 CONTRACT COORDINATOR

The CITY'S Contract Coordinator during the performance of services pursuant to this Agreement shall be the Director of Finance.

7.10 NO CONTINGENT FEE

FIRM warrants that it has not employed or retained any company or person, other than a bona fide employee or sales representative working solely for FIRM 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 or sales representative working solely for FIRM any fee, commission, percentage, gift, or any other consideration contingent upon or resulting from the award or making of this Agreement.

7.11 GOVERNING LAW AND VENUE

The Agreement shall be governed by the laws of the State of Florida. Any and all legal action necessary to enforce the Agreement will be held in Palm Beach County and the Agreement will be interpreted according to the laws of Florida. No remedy herein conferred upon any party is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise. No single or partial exercise by any party or any right, power, or remedy hereunder shall preclude any other or further exercise thereof.

7.12 ATTORNEY'S FEES

In any action brought by either party for the enforcement of the obligations of the other party, each party shall bear their own attorney's fees and costs.

7.13 AUTHORITY TO ENGAGE IN BUSINESS

FIRM hereby represents and warrants that it has and will continue to maintain all licenses and approvals required to conduct its business, and that it will at all times conduct its business activities in a reputable manner. Proof of such licenses and approvals shall be submitted to the CITY'S Contract Coordinator upon request.

7.14 ALL PRIOR AGREEMENTS SUPERSEDED

This document incorporates and includes all prior negotiations, correspondence, conversations, agreements or 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 contained in a written document.

7.15 OWNERSHIP OF DOCUMENTS

Except as otherwise provided by law, all original CITY documents and other original CITY data provided in connection with this Agreement are and shall remain the property of CITY whether or not the services provided hereunder are fully completed. The audit work papers prepared by FIRM in connection with this Agreement are and shall remain the property of FIRM.

7.16 SEVERABILITY

The invalidity, illegality, or unenforceability of any provision of this Agreement, or the occurrence of any event rendering any portion or provision of this Agreement void, shall in no way affect the validity or enforceability of any other portion or provision of the Agreement. Any void provision shall be deemed severed from the Agreement and the balance of the Agreement shall be construed and enforced as if the Agreement did not contain the particular portion or provision held to be void. The parties further agree to reform the Agreement to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision. The provisions of this section shall not prevent the entire Agreement from being void should a provision which is of the essence of the Agreement be determined to be void.

7.17 AGREEMENT DOCUMENTS

The Agreement documents, which comprise the entire agreement between CITY and FIRM concerning the work, consist of the following:

1. This Agreement
2. CITY'S Request for Proposal No. 15-003 document (Exhibit "A")
3. Schedule of Professional Fees and Expenses document (Exhibit "B")
4. FIRM'S Engagement Letter as revised and dated May 4, 2015 (Exhibit "C")
5. FIRM'S proposal response dated February 18, 2015 (Exhibit "D")

In the event of a conflict between or among the terms of the Agreement documents, the order of precedence shall be the order of documents as listed above, with the first-listed document having the highest precedence and the last-listed document having the lowest precedence. If there are multiple Agreement amendments, the most recent amendment shall have the highest precedence and the oldest amendment shall have the lowest precedence.

7.18 NOTICES

Whenever either party desires to give notice unto the other, such notice must be in writing, sent by certified United States mail, return receipt requested, addressed to the party for whom it is intended at the place last specified; and the place for giving of notice shall remain such until it shall have been changed by written notice in compliance with the provisions of this paragraph. For the present, the parties designate the following as the respective places for giving of notice:

FOR CITY OF GREENACRES:

Director of Finance
City Of Greenacres
5800 Melaleuca Lane
Greenacres, FL 33463-2399

FOR FIRM:

Edward T. Holt – Managing Partner
Nowlen, Holt & Miner, P.A.
515 N. Flagler Drive Ste. 1700
P.O. Box 347
West Palm Beach FL 33402

IN WITNESS WHEREOF, the parties hereto have set their hands and official seals this 18th day of May, 2015.

CITY OF GREENACRES,
A municipal corporation of the State of Florida

ATTEST:

Denise McGrew
Denise McGrew, City Clerk



BY: [Signature]
Samuel J. Ferreri
Mayor

ENDORSED AS TO FORM & LEGALITY
[Signature]
Pamela S. Terranova, City Attorney

(CORPORATE SEAL)

FIRM:
BY: [Signature]
Signature
Edward T. Holt
Typed Name
President
Title

WITNESSES:
[Signature]
[Signature]

SWORN TO and SUBSCRIBED before me this 5th day of May, 2015.



[Signature]
Notary Public

My Commission Expires: 04-30-2016

Exhibit "B"

**SCHEDULE OF PROFESSIONAL FEES AND EXPENSES
FOR THE AUDIT OF FINANCIAL STATEMENTS**

2015 Audit	\$32,000
2016 Audit	\$32,000
2017 Audit	\$32,000
2018 Audit	\$32,000
2019 Audit	\$32,000
Federal Single Audit per major program	\$4,000
State Single Audit per major program	\$4,000
Partners	\$195 per hour
Managers	\$160 per hour
Supervisory Staff	\$150 per hour
Seniors	\$120 per hour
Staff Accountants	\$110 per hour
Paraprofessional	\$ 60 per hour



NOWLEN, HOLT & MINER, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

WEST PALM BEACH OFFICE
NORTHBRIDGE CENTRE
515 N. FLAGLER DRIVE, SUITE 1700
POST OFFICE BOX 347
WEST PALM BEACH, FLORIDA 33402-0347
TELEPHONE (561) 659-3060
FAX (561) 835-0628
WWW.NHMCPA.COM

EVERETT B. NOWLEN (1930-1984), CPA
EDWARD T. HOLT, CPA
WILLIAM B. MINER, RETIRED CPA
ROBERT W. HENDRIX, JR., CPA
JANET R. BARICEVICH, CPA
TERRY L. MORTON, JR., CPA
N. RONALD BENNETT, CVA, ABV, CFF, CPA
ALEXIA G. VARGA, CFE, CPA
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BELLE GLADE OFFICE
333 S.E. 2nd STREET
POST OFFICE BOX 338
BELLE GLADE, FLORIDA 33430-0338
TELEPHONE (561) 996-5612
FAX (561) 996-6248

May 4, 2015

The Honorable Mayor, Members of the City
Council, and City Manager
City of Greenacres
5800 Melaleuca Lane
Greenacres, FL 33463

We are pleased to confirm our understanding of the services we are to provide the City of Greenacres, Florida for the year ended September 30, 2015, with an option to renew for 2016, 2017, 2018, and 2019. We will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements, of the City of Greenacres, Florida as of and for the year ended September 30, 2015. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the City of Greenacres, Florida's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the City of Greenacres, Florida's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis
- 2) Budgetary Comparison Schedule – General Fund
- 3) Schedule of Changes in Net Pension Liability and Related Ratios – Firefighters Retirement Plan
- 4) Schedule of City Contributions – Firefighters Retirement Plan
- 5) Schedule of Investment Returns – Firefighters Retirement Plan
- 6) Schedule of Funding Progress – Firefighters Retirement Plan
- 7) Schedule of Funding Progress – Other Postemployment Benefits

We have also been engaged to report on supplementary information other than RSI that accompanies the City of Greenacres, Florida's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements.

- 1) Schedule of expenditures of federal awards and state financial assistance, if applicable
- 2) Combining and Individual Fund Statements and Schedules

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that other information.

- 1) Introductory Section
- 2) Statistical Section

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on—

- Internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and each major state project in accordance with Chapter 10.550 Rules of the Auditor General.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The OMB Circular A-133 report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of OMB Circular A-133, and Chapter 10.550 Rules of the Auditor General, and will include tests of accounting records, a determination of major program(s) in accordance with OMB Circular A-133 and major state project(s) in accordance with Chapter 10.550 Rules of the Auditor General, and other

procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Mayor and City Council of the City of Greenacres, Florida. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements or the Single Audit compliance opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

Management Responsibilities

Management is responsible for the financial statements, schedule of expenditures of federal awards and state financial assistance, and all accompanying information as well as all representations contained therein. Management is also responsible for identifying all federal awards and state financial assistance received and understanding and complying with the compliance requirements, and for preparation of the schedule of expenditures of federal awards and state financial assistance (including notes and noncash assistance received) in accordance with the requirements of OMB Circular A-133 and Chapter 10.550 Rules of the Auditor General. As part of the audit, we will assist with preparation of your financial statements, schedule of expenditures of federal awards and state financial assistance, and related notes. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards and state financial assistance, related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal awards and state financial assistance, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards and state financial assistance, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Management is responsible for (a) establishing and maintaining effective internal controls, including internal controls over compliance, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (b) following laws and regulations; (c) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (d) ensuring that management is reliable and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities also include identifying significant vendor relationships in which the vendor has responsibility for program compliance and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements

aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by OMB Circular A-133 and Chapter 10.550 Rules of the Auditor General, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan.

You are responsible for preparation of the schedule of expenditures of federal awards and state financial assistance (including notes and noncash assistance received) in conformity with OMB Circular A-133 and Chapter 10.550 Rules of the Auditor General. You agree to include our report on the schedule of expenditures of federal awards and state financial assistance in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards and state financial assistance. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards and state financial assistance that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards and state financial assistance in accordance with OMB Circular A-133 and Chapter 10.550 Rules of the Auditor General; (2) you believe the schedule of expenditures of federal awards and state financial assistance, including its form and content, is fairly presented in accordance with OMB Circular A-133 and Chapter 10.550 Rules of the Auditor General; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards and state financial assistance.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views

on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards and state financial assistance; federal and state award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by OMB Circular A-133 and Chapter 10.550 Rules of the Auditor General, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program and state project. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to OMB Circular A-133 and Chapter 10.550 Rules of the Auditor General.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and OMB Circular A-133 and Chapter 10.550 Rules of the Auditor General.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City of Greenacres, Florida's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

OMB Circular A-133 and Chapter 10.550 Rules of the Auditor General require that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major federal programs and state projects. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Circular A-133 Compliance Supplement* and the Department of Financial Services' *State Projects Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the City of Greenacres, Florida's major federal programs and major state projects. The purpose of these procedures will be to express an opinion on the City of Greenacres, Florida's compliance with requirements applicable to each of its major federal programs and major state projects in our report on compliance issued pursuant to OMB Circular A-133 and Chapter 10.550 Rules of the Auditor General.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. If applicable, we will provide copies of our report for you to include with the reporting package you will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audits.

We will provide copies of our reports to City of Greenacres, Florida; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Nowlen, Holt & Miner, P.A. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to regulatory agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Nowlen, Holt & Miner, P.A. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by a federal or state awarding agency, oversight agency, or pass-through entity. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

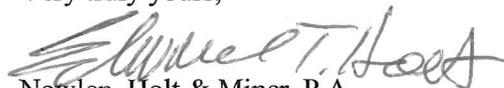
We expect to begin our audit in October and to issue our reports no later than January 31st. Ronald Bennett is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for the financial statement audits will be \$32,000 per year. If a federal or state Single Audit is required, the fee will be \$4,000 per major program. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

This engagement letter incorporates the Agreement between the City of Greenacres and Nowlen, Holt & Miner, P.A. for Financial Audit Services, RFP No. 15-003. Any conflict between this letter and the Agreement will be controlled by the Agreement.

We appreciate the opportunity to be of service to the City of Greenacres, Florida and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

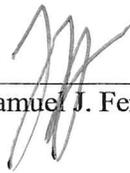

Nowlen, Holt & Miner, P.A.

RESPONSE:

This letter correctly sets forth the understanding of City of Greenacres, Florida.



Wadie Atallah, City Manager



Samuel J. Ferreri, Mayor

Date: 5-18-15

Date: 5-18-15