

RESOLUTION NO. 2001-79

**A RESOLUTION OF THE TOWN OF SOUTHWEST RANCHES, FLORIDA APPROVING AN AGREEMENT WITH GRAU & COMPANY, FOR CONSULTANT SERVICES FOR ANNUAL AUDIT; AND AUTHORIZING THE MAYOR, TOWN ADMINISTRATOR AND TOWN ATTORNEY TO EXECUTE SAID AGREEMENT; AND PROVIDING AN EFFECTIVE DATE THEREFOR.**

**WHEREAS**, the Town Council is required to provide an annual audit performed by an independent auditing firm; and

**WHEREAS**, a Request For Proposal (RFP) was appropriately advertised and three (3) proposals were received on June 15, 2001; and

**WHEREAS**, those individuals/entities submitting proposals were very qualified and provided a presentation and an interview; and

**WHEREAS**, it is desired to enter into an Agreement for a term of five (5) years.

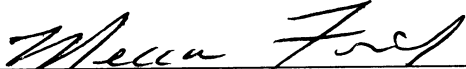
**NOW, THEREFORE, BE IT RESOLVED**, by the Town Council of the Town of Southwest Ranches, Florida:

**Section 1.** The above referenced recitals are true and correct and are incorporated herein by reference.

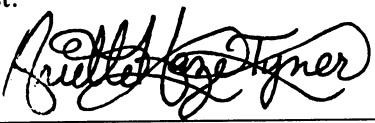
**Section 2.** The Mayor, Town Administrator and Town Attorney are hereby authorized to enter into Agreements with Grau & Company substantially in the form of the Agreement attached as Exhibit "A" for annual audit services for \$13,000.

**Section 3.** That this Resolution shall become effective immediately upon its adoption.


**PASSED AND ADOPTED** by the Town Council of the Town of Southwest Ranches, Florida, this 12<sup>th</sup> day of July 2001.

  
\_\_\_\_\_  
Mecca Fink, Mayor

Attest:

  
\_\_\_\_\_  
Arielle Haze Tyner, Town Clerk

Approved as to Form and Correctness:

  
\_\_\_\_\_  
Gary A. Poliakoff, J.D., Town Attorney

## Annual Audit Agreement

This Agreement between: TOWN OF SOUTHWEST RANCHES, a municipal corporation existing under the laws of the State of Florida, hereinafter referred to as "TOWN",

AND

Grau & Company, P.A. consultant firm doing business or authorized to do business in the State of Florida, its successors and assigns, hereinafter referred to as "CONSULTANT".

WITNESSETH, in consideration of the mutual terms and conditions, promises, covenants and payments hereinafter set forth, TOWN and CONSULTANT agree as follows:

### ARTICLE 1

#### PREAMBLE

In order to establish the background, context and frame of the reference for this Agreement and to express the objectives and intentions of the respective parties hereto, the following statements representations and explanations shall be accepted as predicates for the undertaking and commitments included within the provisions which follow and may be relied upon by the parties as essential elements of the mutual considerations upon which this Agreement is based.

TOWN has budgeted funding to provide for this Agreement.

Negotiations pertaining to the services to be performed by CONSULTANT were undertaken between CONSULTANT and TOWN based upon a competitive Request For Proposal (RFP) process. Sealed proposals were received on June 15, 2001.

CONSULTANT is to prepare an "Annual Audit" for the TOWN in accordance with generally accepted auditing standards, the rules of the Auditor General as of the RFP date, the standards for financial audits set forth in the *Government Auditing Standards* (1999 Revision), the provisions of the Single Audit Act of 1984 (as amended in 1996) and the provisions of the U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

## ARTICLE 2

### SCOPE OF SERVICES

CONSULTANT will express an opinion on the fair presentation of the general-purpose financial statements of the Town, in conformity with generally accepted accounting principles.

CONSULTANT shall express an opinion on the fair presentation of its combined and individual funds and account groups financial statements and schedules in conformity with generally accepted accounting principles. The auditor is not required to audit the supporting schedules contained in the comprehensive annual financial report. However, the auditor is to provide an "in-relation-to" opinion on the supporting schedules based on the auditing procedures applied during the audit of the general purpose financial statements and the combined and individual funds financial statements and schedules.

The CONSULTANT shall also be responsible for performing certain limited procedures involving supplementary information required by the Governmental Accounting Standards Boards as mandated by generally accepted auditing standards.

The CONSULTANT shall be responsible, following the completion of their audit of the fiscal year's financial statements, to issue reports as specified in Exhibit "A".

The Consultant shall be responsible, following the completion of their audit, for other responsibilities of the fiscal year's financial statements, as they relate to Single Audit Act and GASB 34, as specified in Exhibit "B".

### ARTICLE 3

#### TERM

The term of this Agreement shall commence on the date this Agreement is executed by TOWN and shall continue to include the audit of Town financial statements for the fiscal years ending September 30, 2001 through and including September 30, 2005

Prior to beginning the performance of any services under this Agreement, CONSULTANT must receive a written Notice to Proceed from the Town Administrator.

In the event the CONSULTANT fails to complete the annual audit and the failure to complete is caused in whole or in part by a negligent act, error or omission of CONSULTANT, then CONSULTANT shall pay to TOWN its proportional share of any claim or damages arising out of the failure to meet the timeframe requirements.

### ARTICLE 4

#### COMPENSATION AND METHOD OF PAYMENT

##### 4.1 AMOUNTS AND METHOD OF COMPENSATION

###### 4.1.1 LUMP SUM COMPENSATION

It is understood that the method of compensation is that of Lump Sum which means that CONSULTANT shall perform all services set forth in Article 2, Scope of Services, of this Agreement.

TOWN agrees to pay CONSULTANT a compensation for performance of all services described in Article 2, Scope of Services, of this Agreement, required under the terms of this Agreement a Lump Sum of Thirteen Thousand Dollars (\$13,000). The Lump Sum amount includes any and all reimbursable expenses provided by CONSULTANT.

4.1.2 It is acknowledged and agreed to by CONSULTANT that the dollar limitation set forth in Section 5.1.1 is a limitation upon, and describes the maximum extent of, TOWN's obligation to reimburse CONSULTANT for direct costs, non salary costs, but does not constitute a limitation, of any sort, upon CONSULTANT's obligation to incur such expenses in the performance of services hereunder. If TOWN or Town Administrator requests CONSULTANT to incur expenses not contemplated in the amount agreed upon, CONSULTANT shall notify the Town Administrator in writing before incurring such expenses. Any such expenses shall be reviewed and approved by TOWN prior to incurring such expenses.

#### METHOD OF BILLING

##### LUMP SUM COMPENSATION BILLING

TOWN and CONSULTANT agree to the lump sum payment of Thirteen Thousand Dollars for the initial year of this agreement. Future payments shall be mutually agreed upon between the Town Administrator and the CONSULTANT.

#### METHOD OF PAYMENT

TOWN shall pay CONSULTANT within fifteen (15) calendar days from receipt of CONSULTANT's properly prepared statement. When the services to be performed are completed and approved by the Town Administrator, the Town Administrator, in his or her sole discretion, may authorize the final payment for services provided.

Payment will be made to CONSULTANT at:

111 NE First Street  
5<sup>th</sup> Floor  
Miami, FL 33132-2501

ARTICLE 5

ADDITIONAL SERVICES AND CHANGES IN SCOPE  
OF SERVICES

5.1 TOWN and CONSULTANT may request changes that would increase, decrease, or otherwise modify the Scope of Services to be provided under this Agreement. Such changes must be made in accordance with the provisions of the intent of the RFP for the services to be performed. The changes must be contained in a written amendment that is executed by the parties, with the same formality and of equal dignity of this Agreement, prior to any deviation from this Agreement.

5.2 In the event a dispute between the Town Administrator and CONSULTANT arises over whether requested services constitute additional services and such dispute cannot be resolved by the Town Administrator and CONSULTANT, such dispute shall be promptly presented to the Town Mayor for resolution. The decision of the Town Mayor shall be final and binding on both parties. During the determination of any dispute, CONSULTANT shall promptly continue to perform the disputed services.

## ARTICLE 6

### MISCELLANEOUS

#### 6.1 OWNERSHIP OF DOCUMENTS

Unless otherwise provided by law, any and all reports, surveys and other data and documents provided or created in connection with this Agreement are and shall remain the property of TOWN. In the event of termination of this Agreement, any reports, photographs, surveys and other data and documents prepared by CONSULTANT, whether finished or unfinished, shall become the property of TOWN and shall be delivered by CONSULTANT to the Town Administrator within seven (7) days of termination of this Agreement by either party. Any compensation due to CONSULTANT shall be withheld until all documents are received as provided herein. Except for the work papers related to the Audit and prepared by Consultant that should be the property of Consultant.

#### 6.2 TERMINATION

6.2.1 This Agreement may be terminated for cause by action of TOWN or by CONSULTANT upon three (3) day's written notice by the party that elected to terminate, or for convenience by action of TOWN upon not less than fourteen (14) day's written notice by the Town Administrator. This Agreement may also be terminated by the Town Administrator upon such notice as the Town Administrator deems appropriate, in the event the Town Administrator determines that termination is necessary to protect the public health, safety, or welfare of the TOWN.

6.2.2 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 breach of the provisions of this Agreement notwithstanding whether any such breach was previously waived or cured.

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

6.2.4 In the event this Agreement is terminated for convenience, CONSULTANT shall be paid for any services performed to the date this Agreement is terminated. Upon being notified of TOWN'S election to terminate, CONSULTANT shall refrain from performing further services or incurring additional expenses under this Agreement. Under no circumstances shall TOWN make payment for services which have not been performed. CONSULTANT acknowledges and agrees that One Dollar (\$1.00) of the compensation to be paid by TOWN, the adequacy of which is hereby acknowledged by CONSULTANT, is given as specific consideration to CONSULTANT for TOWN's right to terminate this Agreement for convenience.

### 6.3 AUDIT RIGHT AND RETENTION OF RECORDS

TOWN shall have the right to audit the books, records and accounts of CONSULTANT that are related to this Agreement. CONSULTANT shall keep such books, records, and accounts as may be necessary in order to record complete and correct entries related to this Agreement. CONSULTANT shall preserve and make available, at reasonable times for examination and audit by TOWN, all financial records, supporting documents, statistical records and any other documents pertinent to this Agreement for the required retention period of the Florida Public Records Act (Chapter 119, Florida Statutes) if applicable, or, if the Florida Public Records Act is not applicable, for a minimum period of three (3) years after termination of this Agreement. If any audit has been initiated and audit findings have not been resolved at the end of the retention period of three (3) 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 CONSULTANT'S RECORDS, CONSULTANT shall comply with all requirements thereof; however, no confidentiality or non-disclosure requirements of either federal or state law shall be violated by CONSULTANT. 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.

#### 6.4 ASSIGNMENTS AND PERFORMANCE

Neither this Agreement nor any interest herein shall be assigned, transferred or encumbered by either party and CONSULTANT shall not subcontract any portion of the work required by this Agreement.

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

#### 6.5 INDEMNIFICATION OF TOWN

CONSULTANT shall at all times hereafter indemnify, hold harmless and, at the Town Attorney's option, defend or pay for an attorney selected by the Town Attorney to defend TOWN, its officers and agents 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 CONSULTANT, its employees, agents 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 Article shall survive the expiration or earlier termination of this Agreement. To the extent considered necessary by the Town Administrator and the Town Attorney, any sums due CONSULTANT 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.

#### 6.6 INSURANCE

6.6.1 *Workers' Compensation Insurance* to apply for all employees in compliance with the Workers' Compensation Law of the State of Florida and all applicable federal laws.

*Comprehensive General and Commercial Liability Insurance* with minimum limits of Three Hundred Thousand Dollars (\$300,000) 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 Service Office, and must include:

Premises and/or Operations  
Independent Contractors

CONSULTANT shall provide to TOWN a Certificate of Insurance or a copy of all insurance policies required. TOWN reserves the right to require a certified copy of such policies upon request. All certificates and endorsements required herein shall state that TOWN shall be given thirty (30) days notice prior to expiration or cancellation of the policy.

## 6.7 NOTICES

Whenever either party desires to give notice unto the other, such notice must be in writing, return receipt requested, addressed to the party to 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 TOWN:

John Canada, Town Administrator  
3111 Stirling Road  
Fort Lauderdale, FL 33312

FOR CONSULTANT:

Manuel M. Garcia  
111 NE First Street, 5<sup>th</sup> Floor  
Miami, FL 33132-2501

6.8 CONSULTANT'S STAFF

CONSULTANT will obtain written approval of the Town Administrator to change key staff. CONSULTANT shall provide the Town Administrator with such information as necessary or requested to determine the suitability of proposed new key staff. The Town Administrator will be reasonable in evaluating new key staff qualifications.

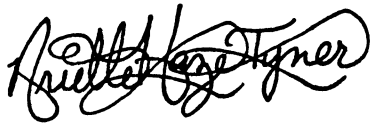
If the Town Administrator desires to request removal of any of CONSULTANT's staff, the Town Administrator shall first meet with CONSULTANT and provide reasonable justification for said removal.

IN WITNESS THEREOF, THE PARTIES HERETO HAVE MADE AND EXECUTED THIS agreement on the respective dates under each signature: TOWN OF SOUTHWEST RANCHES though its TOWN COUNCIL, signing by and through its Mayor or Vice-Mayor, authorized to execute same by Council action on the 12<sup>th</sup> day of July 2001 and Town of Southwest Ranches signing by and through its Mayor, duly authorized to execute same

TOWN

TOWN OF SOUTHWEST RANCHES


ATTEST:



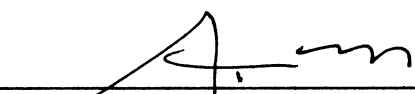
Arielle Haze Tyner, Town Clerk

  
Mecca Fink, Mayor

By

  
John Canada, Town Administrator

APPROVED AS TO FORM AND CORRECTNESS:

By   
Gary A. Poliakoff, Town Attorney

AGREEMENT BETWEEN TOWN OF SOUTHWEST RANCHES AND  
GRAU & COMPANY, P.A. FOR SERVICES PROVIDED  
BY GRAU & COMPANY, P.A.

CONSULTANT

ATTEST:

*Marcelo Gomez*,  
a consultant firm doing business or  
authorized to do business in the State of  
Florida.

*Rafael Llerena*

Title: *V/P*

*9* day of *July* 2001

**Exhibit "A"**  
**REPORTS TO BE ISSUED**

Following the completion of their audit of the fiscal year's financial statements, the auditor shall issue (if applicable and necessary):

1. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles, including an "in relation to" audited financial statements report of the supplementary schedule of expenditures of federal awards and state financial assistance cash received.
2. A report on compliance and internal control over financial reporting based on an audit of the financial statements.
3. A report on compliance and internal control over compliance applicable to each major federal program.
4. A report on compliance and internal control over compliance with specified requirements of state financial assistance.
5. In accordance with "Rules of the Auditor General, Chapter 10.554 (1)(e)(4), Definitions", the auditor shall report whether the Financial Report filed with the State Department of Banking and Finance, pursuant to Section 218.32 F.S.S. is in agreement with the Town's Annual Financial Audit Report for the same period and, if not, specify any significant differences.
6. Management Letter: The auditor shall obtain an understanding of the Town's internal control structure in order to determine the auditing procedures to be performed for the purpose of expressing an opinion on the general-purpose financial statements. If weaknesses are noted, appropriate recommendations should be discussed with the Town Administrator. If it is determined that a material weakness does exist, the auditor shall include such

comments and recommendations in a Management Letter to the Town Council. The Town requires that proposed auditor comments will be delivered to the Town Administrator. The independent auditor will subsequently evaluate written responses from management and prepare for an exit conference with the Town Administrator to ensure corrections and revisions to auditor comments are obtained, as appropriate.

7. Reporting to the Town Administrator at the exit conference:  
Auditor shall disclose the following:
  - a. the auditor's responsibility under generally accepted auditing standards
  - b. significant accounting policies
  - c. management judgments and accounting estimates
  - d. significant audit adjustments
  - e. other information in documents containing audited financial statements
  - f. disagreements with management
  - g. major issues discussed with management prior to retention
  - h. difficulties in preparing the audit

The reports on compliance and internal controls shall include all instances of noncompliance.

8. Irregularities and illegal acts: Auditors 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 Administrator and Town Council.
9. The auditor shall be available to address any issues / concerns / questions at the Town Council Meeting in which all of the above-mentioned reports are presented for Town Council review and acceptance.

## Exhibit "B"

### Other Responsibilities

1. The Town of Southwest Ranches has determined the United States Department of Housing and Urban Development will function as the oversight agency in accordance with the provisions of the Single Audit Act (as amended in 1996) and U.S. Office of Management and Budget (OMB) Circular A-133, *Audit of States, Local Government, and Non-Profit Organizations*.
2. The Schedule of Expenditures of Federal Awards, Schedule of State Financial Assistance, and related auditor's reports, as well as the reports on compliance and internal controls are to be issued as part of the annual financial report.
3. Difficulties may be anticipated in implementing and complying with the specific reporting requirements recently mandated by GASB 34, including the infrastructure requirements. The Town of Southwest Ranches is required to implement GASB 34 for the fiscal year ending September 30, 2002. The Town will require the auditor's assistance to comply with these reporting requirements.