

PROPOSAL TO PROVIDE FINANCIAL AUDIT SERVICES TO

THE CITY OF MARGATE,
FLORIDA

RFP NO. 2016-010

May 31, 2016



RSM US LLP
100 NE Third Avenue, Suite 300
Fort Lauderdale, FL 33301
Brett Friedman, Partner
954.356.5721

EXHIBIT F

RFP NO. 2016-010 AUDIT SERVICES PROJECT FORM & CERTIFICATION

PROPOSER NAME: RSM US LLP

ADDRESS: 100 N.E 3rd Avenue, Fort Lauderdale, Florida 33301

TELEPHONE: (954) 462 6300 **FAX:** (954) 462 4607

TYPE OF BUSINESS (Corporation, Partnership, Other – Specify): Partnership

TAX ID NUMBER (EIN/SSN): 42-0714325

Certification: The undersigned hereby confirms as follows:

- A. I am a duly authorized agent of the Company/Individual submitting the proposal;
- B. I have read the Proposal in its entirety and fully understand and accept these terms unless specific variations have been expressly listed below.
- C. My Firm, RSM US LLP, agrees to hold all prices, terms and conditions firm for acceptance for ninety (90) calendar days following the date and time of the bid opening.

Variations

The Proposer shall identify all variations and exceptions taken to this RFP in the space provided below unless such variation is expressly prohibited in the RFP documents. If no variations are listed here, it is understood that the Proposer fully complies with the terms and conditions. It is further understood that such variations may be cause for determining that the Proposal is non-responsive and ineligible for the award:

Section	<u>n/a</u>	Variance	<u>none</u>
Section	<u>n/a</u>	Variance	<u>none</u>
Section	<u>n/a</u>	Variance	<u>none</u>

Attach additional sheets as necessary.

By: 

May 31, 2016

Manual Signature of Agent

Date

Brett Friedman

Partner

Typed/Printed Name of Agent

Title of Agent

Proposals without the manual signature of an authorized agent of the Proposer shall be deemed non-responsive and ineligible for award.



May 31, 2016

Purchasing Department
City of Margate
City Hall
5790 Margate Boulevard
Margate, FL 33063



RSM US LLP

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Fort Lauderdale, FL 33301, USA
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To Whom It May Concern:

RSM US LLP (RSM) is pleased to have the opportunity to respond to your Request for Proposal (RFP) to provide financial auditing services to the City Margate (the City) for a five year period beginning with the fiscal year ending September 30, 2016 with one additional two-year renewal term. The following proposal reflects our understanding of your needs and illustrates the approach we will take in providing the professional services requested.

As a result of our review of your most recent financial statements and our extensive knowledge and experience serving governmental entities, we have prepared a proposal that reflects our understanding of the City's needs and requirements. We know differences amongst firms are often difficult to discern. We believe the information presented in this proposal demonstrates the important distinctions regarding our ability to serve the City. A summary of these qualifications are as follows:

Our commitment to the public sector

- **RSM** has been serving governments for almost 90 years, including some of the largest and most dynamic governmental entities.
- Our Firm has continued to make the public sector one of its main industry focuses on both the national and local level.
- Nationally, we serve over 2,700 such organizations across the country, including over 700 governmental clients.
- Locally, public sector is the single largest industry we serve in the State of Florida, which includes numerous counties, cities, school boards and special districts.
- We have a large team of professionals dedicated to the public sector. In our South Florida offices alone, we have 3 partners, 6 managers and over 22 staff members dedicated to serving the public sector.
- As a National firm, we have a depth of resources and technical expertise that is unmatched by that of a regional or local firm. This includes technical guidance on the implementation of new Governmental Accounting Standards Board (GASB) pronouncements and complex accounting transactions, actuaries who review your pension and self-insurance valuations, and information technology specialists who are well versed in critical areas such as information technology vulnerability and cybersecurity threats. One clear example of this was the technical support we provided to various cities in their adoption of the pension related GASB pronouncements.



THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

Local presence. We are the leading provider of public sector audit services in South Florida and bring that extensive experience and large local team to help the City with the upcoming GASB changes. We currently serve as the auditor for several neighboring cities in your area which include, The City of Coral Springs, City of Pompano Beach, City of Hollywood and City of Miramar, just to name a few. We bring national resources and expertise together with a local firm service approach, giving the City the best of both worlds, which is unmatched by our competitors.

We deliver more than an audit, we deliver real value. We provide more than just an audit and try to look “beyond the numbers” to identify insights that add value to your organization. For example, RSM provides information technology (IT) audit assistance through its Technology Risk Advisory Services Group, whose members have extensive experience and training as electronic data processing (EDP) auditors. As part of our normal process, our EDP auditors perform a review of our client’s IT system operations and security configurations. One such recent review for one of our larger governmental clients identified certain vulnerabilities in their IT systems – we were able to provide assistance in addressing such vulnerabilities and worked with our client to ensure that their systems and sensitive electronic information were protected from outside threats. Also, we know that like most cities, pension and health insurance costs continue to be a major challenge. Our consulting actuaries offer a fresh perspective when they review your actuarial reports and will talk to your actuaries, which may result in some value-added recommendations. The engagement team assigned to your audit is multidisciplinary—including auditors, tax specialists, actuaries and IT specialists. We know that this team will help the City manage risk in the ever-changing complex government environment.

As an additional measure of our commitment to you, if selected as your auditors, we will commit to providing your professional staff with 8 hours of continuing professional education annually at no charge, for the life of the contract. On an annual basis, we offer one of the largest local Florida government training seminars focusing on key issues facing our government clients. Average attendance is in excess of two hundred and fifty people annually. City management and staff will be invited to attend this training annually. In addition to receiving pertinent government CPE training, City staff will benefit from networking with staff from other local municipalities. As mentioned earlier, several key team members frequently present on audit and accounting issues and would welcome the opportunity to provide in-house training to your key accounting staff.

We have a thorough understanding of the work to be done. We are committed to ensuring that all deadlines are met and that all deliverables will be provided in a timely and efficient manner. The terms of this proposal will remain in effect for ninety (90) days.

Once you have had the opportunity to review this response, we would be pleased to discuss your needs in greater detail, or make a presentation to your team. In the meantime, please feel free to contact Brett Friedman at 954.356.5721 with any questions.

In conclusion, we would like to emphasize one final point – **We want your business.** We look forward to your favorable consideration.

Sincerely,



Brett Friedman
Partner
954.356.5721

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1. FIRM/PROPOSER INFORMATION

Organization and Philosophy

RSM has been in existence since 1926 and is the leading provider of audit, tax and consulting services focused on the middle market, with more than 8,000 employees in over 80 offices nationwide. We are a licensed CPA firm and the U.S. member of RSM International, a global network of independent audit, tax and consulting firms with more than 38,000 employees in over 120 countries worldwide. RSM has been in Florida for more than 35 years and is ranked as the 5th largest U.S. provider of accounting, tax and business consulting services (source: Accounting Today). RSM uses its deep understanding of the needs and aspirations of clients to help them succeed. **The City will be served from our local office, located at 100 NE Third Avenue, Suite 300, Fort Lauderdale, Florida 33301.**



Training and experience in similar work

RSM has significant experience in serving clients similar in size and complexity to the City. Our Firm has made the public sector industry one of its main industry focuses nationwide. This sector includes counties, municipalities, not-for-profits, and other government entities. We serve over 70 public sector entities in Florida and over 2,700 such organizations across the country, including over 700 government clients.

In Broward County, we provide audit and consulting services for other neighboring governments, such as, the City of Coral Springs, City of Miramar, City of Hollywood, City of Pompano Beach and the Broward County School Board.

In Florida, the public sector is the primary market served by RSM, providing more audit services to the public sector than to any other industry in Florida. Our Florida public sector practice is also one of the largest of any accounting firm in the state.

With so much attention afforded to this industry, our clients benefit from our ability to offer a collective wealth of individuals who are experienced and dedicated to this practice. This enables us to identify issues up front and discuss them with you well before year end. It also provides us with the perspective necessary to offer the City insight on the evolving body of thought related to specific technical issues.

RSM offers the City an experienced local team, backed by extensive national resources. Given our experience auditing numerous local governments in Florida, you can have confidence in our skill, knowledge, and experience. Beyond our local commitment, we can call upon the vast resources of RSM's national practice to address emerging issues and intricate regulatory topics. Such depth of knowledge and resources can help ensure that your financial reports are accurate and can be relied upon with confidence. As a national firm, the City will not be subjected to the potential risks of a smaller firm with one local office, where the loss of a key team member can significantly impact the level of service the City would receive.

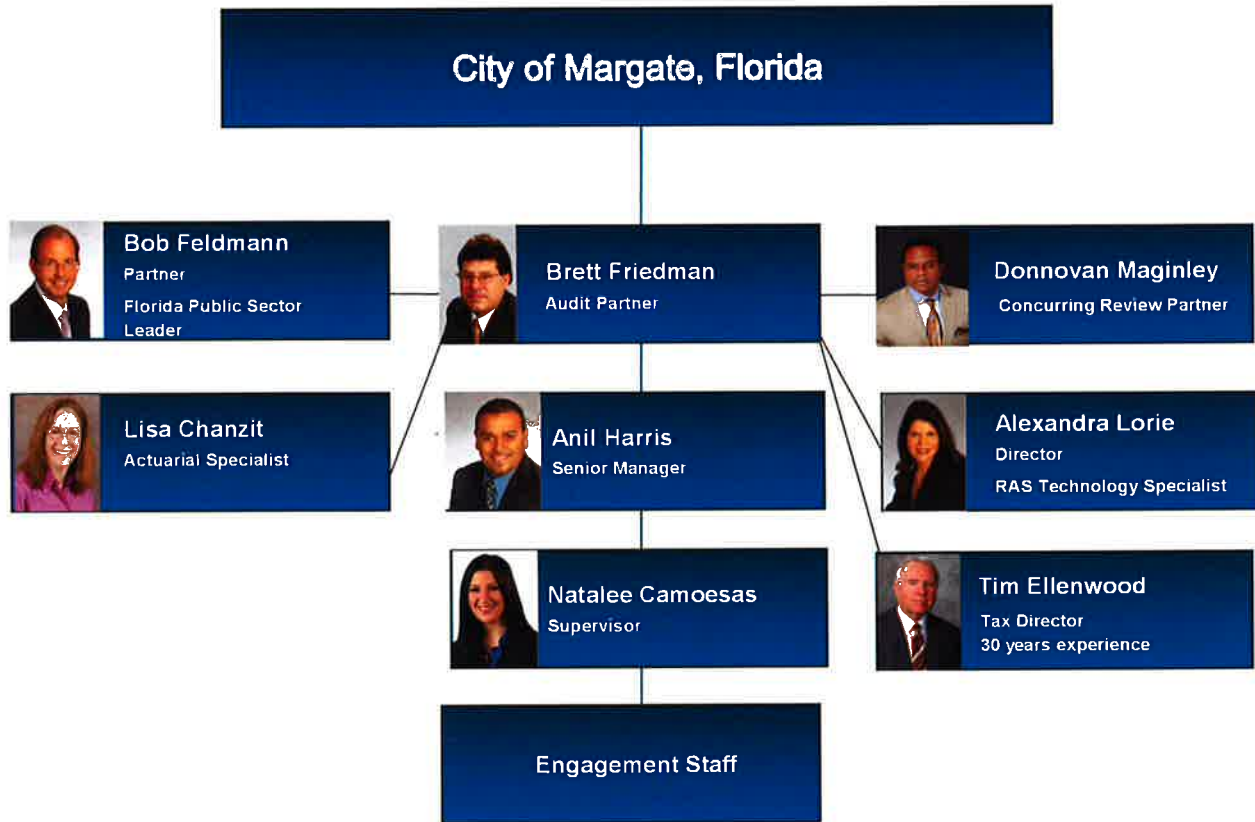
List of similar projects completed with location, dates of contracts, and references:

Below is a select list of governmental clients served within the past three years which are similar in nature to that of the City.

Client Name & Contact Reference Information	Scope of work	Service dates	Engagement partner	Total hours
City of Coral Gables Diana Gomez, Finance Director 405 Biltmore Way Coral Gables, FL 33134 (T) 305.460.5275 (F) 305.460.5371	Annual audit and federal and state single audits	2004 - 2015	Donnovan Maginley	1,200
City of Coral Springs Kim Moskowitz, Controller 9551 West Sample Road Coral Springs, FL 33065 (T) 954.344.1092 (F) 954.344.1198	Annual audit and federal and state single audits; CRA audits	2006 – 2015	Brett Friedman	1,200
City of Pompano Beach Suzette Sibble, Finance Director 100 West Atlantic Boulevard Pompano Beach, FL 33060 (T) 954.786.4605 (F) 954.786.4687	Annual audit and federal and state single audits	2005 – 2015	Donnovan Maginley	1,200
City of Hollywood Ernie Acosta, Division Director, General Accounting 2600 Hollywood Blvd. Hollywood, FL 33020 (T) 954.921.2321 (F) 954.921.3554	Annual audit and federal and state single audits, CRA audits, pension audits	2009 – 2015	Donnovan Maginley	2,500
City of Miramar Barbara Hastings, Asst. Finance Director 2300 Civic Center Place Miramar, FL 33025 (T) 954.602.3051 (F) 954.602.3779	Annual audit and federal and state single audits	2011 - 2016	Brett Friedman	900




Project team assigned to this project, including resumes



The following chart presents the team we have assigned to the City. All core audit team members will work from RSM's Fort Lauderdale office and each are certified public accountants (CPAs).




The following table briefly describes the qualifications and experience of the proposed team, their engagement roles, and the value they will bring to the City. Detailed biographies containing each team member's formal education and professional affiliations are included within Section "4m" of this proposal.

Team Member	Experience	Role and Value to City
<p>Bob Feldmann, CPA Florida Public Sector Leader</p>  <p>bob.feldmann @rsmus.com</p>	<p>Bob has more than 30 years of experience providing audit and consulting services to governmental and not-for-profit clients. He is a certified public accountant licensed to practice in the State of Florida.</p> <p>In his role as the Florida Public Sector Leader, Bob is responsible for the oversight and delivery of high-quality services to all of our public sector clients. His experience includes performing audits in accordance with Government Auditing Standards, OMB Circular A-133, Federal Single Audit Act, Florida Single Audit Act, and the Rules of the Auditor General of the State of Florida. A sample of Bob's Florida public sector clients have included:</p> <ul style="list-style-type: none"> • City of Coral Springs • City of Aventura • City of Coconut Creek • City of Cooper City • City of Coral Gables • City of Deerfield Beach • City of Hallandale Beach • City of Miami • City of North Lauderdale • City of North Miami • City of Palm Beach Gardens • Miami-Dade County • Palm Beach County • City of Jacksonville • Martin County • Broward County • Miami-Dade County School Board • Seminole Tribe of Florida 	<p>In his role as industry leader he will ensure that all services provided to the City are delivered in a timely and efficient manner. He will be a valuable resource to the engagement team, drawing on his extensive experience serving governmental entities. He will help Brett to ensure that the engagement team and the City receive the best resources and services from our firm.</p>
<p>Brett Friedman, CPA Audit Partner</p>  <p>brett.friedman @rsmus.com</p>	<p>Brett has more than 20 years of experience providing audit and consulting services to governmental and not-for-profit clients. He is a certified public accountant licensed to practice in the State of Florida.</p> <p>Brett's experience includes leading government audits similar in size to the City. A sample of Brett's Florida public sector clients have included:</p> <ul style="list-style-type: none"> • City of Coral Gables • City of Coral Springs • City of Miramar • City of Sunrise • City of Coconut Creek • City of West Palm Beach • City of Aventura • City of Boca Raton • City of Deerfield Beach • City of Florida City • City of Hallandale Beach • City of Hollywood • City of Jacksonville • City of Miami Springs • City of North Miami • City of North Miami Beach • City of Pembroke Pines • Town of Davie • South Florida Water Management District • Broward County • Clay County • Glades County • Martin County • Miami-Dade County • Palm Beach County • School Board of Broward County 	<p>Brett will serve as engagement partner and will oversee all aspects of the audit. He brings many years of experience leading major government audit engagements and will be involved in all aspects of the engagement. Brett will be available to the City not only during the audit but throughout the year to help the City address issues as they arise.</p>

Team Member	Experience	Role and Value to City
<p>Donnovan Maginley, CPA Concurring Review Partner</p>  <p>donnovan.maginley@rsmus.com</p>	<p>Donnovan has more than 23 years of audit experience, focusing on the public sector. Donnovan is a certified public accountant licensed to practice in the State of Florida. He has managed and supervised audits of very large and complex municipal engagements, most recently implementing GASBs 54 and 68. A sample of Donnovan's Florida public sector clients have included:</p> <ul style="list-style-type: none"> • City of Pompano Beach • City of Sunrise • City of Hollywood • City of Cooper City • City of Coral Gables • City of Miami • City of Miami Beach • City of Miami Springs • City of North Miami • City of Palm Beach Gardens • City of Pembroke Pines • Broward County • Miami-Dade County • Miami-Dade County Seaport • Miami-Dade County Solid Waste • Miami-Dade County Transit • Palm Beach County • School Board of Miami-Dade County • School District of Palm Beach County • University of Miami 	<p>As the engagement concurring review partner, Donnovan will provide advice and consultations regarding complex accounting matters, assist the engagement team in audit matters, and will be responsible for ensuring that reports issued by the firm comply with professional standards. Donnovan's years of experience and diverse list of clients served will make him a valuable technical resource for the City.</p>
<p>Tim Ellenwood Tax Director</p>  <p>tim.ellenwood@rsmus.com</p>	<p>Tim is a state and local tax professional with more than 30 years of experience. He specializes in federal, state, and local employment tax matters. Tim regularly consults with multistate taxpayers in addressing technical issues in the areas of payroll reporting and processing, unemployment taxation and reporting requirements for independent contractors.</p>	<p>Tim will serve as the tax specialist on the City's audit. As part of our overall risk assessment, Tim will help evaluate if there are any tax exposures the City has been subjected to.</p>
<p>Anil Harris, CPA Senior Manager</p>  <p>anil.harris@rsmus.com</p>	<p>Anil has more than 10 years of experience serving clients in the not-for-profit, governmental and education sectors. He focuses on performing audits in accordance with Government Auditing Standards, OMB Circular A-133, Federal Single Audit Act, Florida Single Audit Act, and the Rules of the Auditor General of the State of Florida. Anil is a certified public accountant licensed to practice in the State of Florida. A sample of Anil's Florida public sector clients have included:</p> <ul style="list-style-type: none"> • City of Miramar • City of Coral Springs • City of Hollywood • City of Coconut Creek • City of Coral Gables • City of Miami • City of Jacksonville • Glades County • Miami-Dade County • Palm Beach County • School Board of Miami-Dade County • School District of Palm Beach County 	<p>As engagement senior manager, Anil will focus on coordinating the audit efforts to maximize the efficiency of our audit approach. He will be responsible for addressing complex audit and accounting areas. He will also be responsible for oversight of our day-to-day audit activity and ensuring a timely and efficient audit.</p>

Team Member	Experience	Role and Value to City
<p>Natalee Camoesas, CPA Supervisor</p>  <p>natalee.camoesas@rsmus.com</p>	<p>Natalee has over eight years of public accounting experience, providing financial and compliance audit and consultation services to a variety of public sector entities. Natalee is a certified public accountant licensed to practice in the State of Florida. She focuses primarily on cities, counties, school districts, healthcare organizations, and not-for-profit organizations. A sample of Natalee's Florida public sector clients have included:</p> <ul style="list-style-type: none"> • City of Coral Springs • City of Deerfield Beach • City of Fernandina Beach • City of Fort Lauderdale • City of Jacksonville • City of Hollywood • City of Jacksonville Beach • City of Miramar • City of Pompano Beach • Broward County • Palm Beach County • School Board of Broward County 	<p>Natalee will serve as the engagement in-charge. She will be responsible for supervision of all audit staff and will perform test work over significant audit areas and complex transactions.</p>
<p>Alexandra Loríe Information Technology Director</p>  <p>alexandra.lorie@rsmus.com</p>	<p>Alexandra has more than 13 years of experience providing audit and consulting services to governmental and not-for-profit clients. She is a director in RSM's Information Technology (IT) Risk Advisory Services and business consulting practice. A sample of Alexandra's Florida public sector clients have included:</p> <ul style="list-style-type: none"> • City of Coral Springs • City of Coral Gables • City of Miramar • City of Pompano Beach • City of Deerfield Beach • City of Hollywood • City of Jacksonville • City of Miami Beach • Broward County Clerk of Courts • Palm Beach County • Martin County • Miami-Dade County • School Board of Miami-Dade County • South Florida Water Management District • School Board of Broward County • School District of Palm Beach County 	<p>Alexandra specializes in complex integrated information system reviews and is experienced at issuing confidential reports under Florida Statute exemptions. She will serve as the information technology (IT) consultant on the City's IT systems, which will be relied upon as part of the audit. She will assist the audit team in the testing of the City's IT systems and in the identification of IT risk.</p>

Team Member	Experience	Role and Value to City
<p>Lisa Chanzit Actuarial specialist</p>  <p>lisa.chanzit @rsmus.com</p>	<p>Lisa has more than 36 years of experience providing consulting services to governmental and not-for-profit clients. As a Director in the Actuarial Services practice for RSM's Human Capital Services unit, Lisa provides actuarial consulting services for self-insured and fully insured plan sponsors in the public and private sectors. A sample of Lisa's Florida public sector clients have included:</p> <ul style="list-style-type: none"> • City of Deerfield Beach • City of Jacksonville • City of Miramar • City of Pompano Beach • City of Coral Gables • Palm Beach County • City of Hollywood • School Board of Broward County • City of Miami • School Board of Miami-Dade County • City of Miami Beach 	<p>Lisa will assist the team with the review of actuarial reports as a subject-matter expert. She will provide independent reviews of the City's actuarial reports as part of our audit approach. She will focus on the methodologies used and significant assumptions applied.</p>

Our team members are involved in a number of professional and civic organizations including the Government Finance Officers Association, Florida Government Finance Officers Association and School of Government Finance, Florida League of Cities, AICPA and FICPA. Details of these relationships are provided in the engagement team's biographies in Section "4m." of this proposal.

2. PROPOSAL APPROACH

State your understanding of the Scope of Services as outlined in Exhibit B – Scope of Services and the Proposer's recommended methodology to fulfill the project goal(s).

RSM will perform the audit of the City in accordance with: *Generally Accepted Auditing Standards* established by the American Institute of Certified Public Accountants; *Government Auditing Standards* for financial audits as established by the U.S. General Accounting Office's; provisions of the Federal Single Audit Act of 1984 (as amended in 1996 and subsequently); Florida Single Audit Act; provisions of U.S. Office of Management and Budget (OMB) Circular A-133; Audits of States, Local Government and Non-Profit Organizations; OMB Uniform Grant Guidance, Florida Statutes, Section 11.45; State of Florida Department of Financial Services; Rules adopted by the State of Florida Auditor General for form and content of governmental unit audits; and any other applicable Federal, State and local laws or regulations.

Our intention is to work closely with management in order to outline specific dates that can be used to measure our progress towards the issuance of the reports itemized in the RFP. Our understanding of the reports to be issued includes:

- Report of the fair presentation of the City's financial statements in conformity with accounting principles generally accepted in the United States, pursuant to an audit conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.
- Report on internal control over financial reporting and on compliance and other matters based on an audit of the financial statements performed in accordance with *Government Auditing Standards*;
- A Report on Compliance for Each Major Federal Program and State Project; Report on Internal Control Over Compliance; Report on the Schedule of Expenditures of Federal Awards and State Financial Assistance Required by OMB Super Circular and Chapter 10.550, *Rules of the Auditor General of the State of Florida*;
- Management letter in accordance with the Rules of the Auditor General of the State of Florida;
- Independent Accountant's Report in Accordance with Chapter 10.550 of the Rules of the Auditor General of the State of Florida, relating to the City's compliance with *Section 218.415, Florida Statutes, Local Government Investment Policies*

Additionally, we will make an immediate written report to the Finance Director, City Manager and City Commission, of all irregularities and illegal acts or indications of illegal acts of which we may become aware and any additional disclosures regulated as mandatory.

We will also make a formal presentation to the City Commission summarizing the results of the audit.

3. WORK PRODUCT, SCHEDULE AND FEES

This section shall include information regarding the anticipated type and date of deliverables necessary to meet the Proposal Approach presented by the Proposer. The fees proposed shall include all charges that may be anticipated in fulfilling the terms of this contract as outlined in Exhibit B – Scope of Services.

The following chart depicts our proposed audit timeline for each fiscal year beginning with 2016, based on the timeline provided in the RFP. This may be modified based on discussion with City management during our audit planning meetings.

Audit Stage	July	Aug	Dec	Jan	Feb	March
Planning Phase:						
Entrance conference	■					
Interim fieldwork		■				
Fieldwork Phase:						
Final fieldwork			■			
Reporting Phase:						
Provide draft CAFR and reports				■		
Issue final reports					■	
Exit conferences						■
Presentation to City Commission						■

Progress meetings will be held with management at the conclusion of interim work and throughout final fieldwork until issuance of the final report.


The following chart depicts our fee schedule for each fiscal year, beginning with 2016, based on the scope provided in the RFP.

**EXHIBIT C – PRICE PROPOSAL FORM
RFP NO. 2016-010 AUDIT SERVICES (CONTINUED)**

NAME OF FIRM RSM US LLP

**SECTION 1
PROFESSIONAL FEES AND EXPENSES
SUPPORTING SCHEDULE**

Fiscal Year: 2016			
Staff Level	Number of Hours	Proposed Rate per Hour	Proposed Total
Audit Segment: Financial Audit			
Partners	75	\$300	\$22,500
Managers	155	200	31,000
Supervisory Staff	255	150	38,250
Staff	255	105	26,775
Administrative Staff	5	80	400
Segment Subtotal	745		118,925
Less Courtesy Discount			(32,925)
Total Audit Segment			\$86,000
Audit Segment: Single Audit			
Partners	5	\$300	\$1,500
Managers	10	200	2,000
Supervisory Staff	15	150	2,250
Staff	30	105	3,150
Administrative Staff	5	80	400
Segment Subtotal	65		9,300
Less Courtesy Discount			(5,300)
Total Audit Segment			\$4,000
Audit Segment: CAFR Preparation			
Partners	10	\$300	\$3,000
Managers	15	200	3,000
Supervisory Staff	20	150	3,000
Staff	40	105	4,200
Administrative Staff	5	80	400
Segment Subtotal	90		13,600
Less Courtesy Discount			(8,600)
Total Audit Segment			\$5,000
Total Audit Scope			\$141,825
Less Total Courtesy Discount			(46,825)
Total Other			
Total Year			\$95,000


Signature

Partner
Title

May 31, 2016
Date



**EXHIBIT C – PRICE PROPOSAL FORM
RFP NO. 2016-010 AUDIT SERVICES (CONTINUED)**

NAME OF FIRM RSM US LLP

**SECTION 2
PROFESSIONAL FEES AND EXPENSES
SUPPORTING SCHEDULE**

TOTAL PRICE FOR AUDITING SERVICES

<u>Fiscal Year</u>	<u>Engagement Total</u>
Financial Audit*	\$86,000
Single Audit	4,000
CAFR Preparation (discount if City prepares)	5,000
Total All Inclusive 2016 Price	\$95,000

Financial Audit*	\$86,000
Single Audit	4,000
CAFR Preparation (discount if City prepares)	5,000
Total All Inclusive 2017 Price	\$95,000

Financial Audit*	\$86,000
Single Audit	4,000
CAFR Preparation (discount if City prepares)	5,000
Total All Inclusive 2018 Price	\$95,000

Financial Audit*	\$88,580
Single Audit	4,120
CAFR Preparation (discount if City prepares)	5,150
Total All Inclusive 2019 Price	\$97,850

Financial Audit*	\$91,240
Single Audit	4,240
CAFR Preparation (discount if City prepares)	5,300
Total All Inclusive 2020 Price	\$100,780



Financial Audit*	\$93,970
Single Audit	4,370
CAFR Preparation (discount if City prepares)	5,460
Total All Inclusive 2021 Price	\$103,800

Financial Audit*	\$96,790
Single Audit	4,500
CAFR Preparation (discount if City prepares)	5,620
Total All Inclusive 2022 Price	\$106,910

Total All Inclusive Price Five Years Plus Two Year Extension	\$694,340
Total discount if City prepares CAFR:	\$36,530

* Includes separate audit and report issuance for MCRA and review of City CAFR.

Comments:

Fees for fiscal years 2019 through 2022 includes a 3% fee increase from the immediate preceding fiscal year.

Brian Lee
Signature

Partner
Title

May 31, 2016
Date



4. ADDITIONAL RFP INFORMATION

- a. *Provide a statement setting forth the Proposer's understanding of the work to be done and a positive commitment to perform the work within the specified time period.*

RSM will perform the audit of the City in accordance with: *Generally Accepted Auditing Standards* established by the American Institute of Certified Public Accountants; *Government Auditing Standards* for financial audits as established by the U.S. General Accounting Office's; provisions of the Federal Single Audit Act of 1984 (as amended in 1996 and subsequently); Florida Single Audit Act; provisions of U.S. Office of Management and Budget (OMB) Circular A-133; Audits of States, Local Government and Non-Profit Organizations; OMB Uniform Grant Guidance, Florida Statutes, Section 11.45; State of Florida Department of Financial Services; Rules adopted by the State of Florida Auditor General for form and content of governmental unit audits; and any other applicable Federal, State and local laws or regulations.

Our intention is to work closely with management in order to outline specific dates that can be used to measure our progress towards the issuance of the reports itemized in the RFP. Our understanding of the reports to be issued includes:

- Report of the fair presentation of the City's financial statements in conformity with accounting principles generally accepted in the United States, pursuant to an audit conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.
- Report on internal control over financial reporting and on compliance and other matters based on an audit of the financial statements performed in accordance with *Government Auditing Standards*;
- A Report on Compliance for Each Major Federal Program and State Project; Report on Internal Control Over Compliance; Report on the Schedule of Expenditures of Federal Awards and State Financial Assistance Required by OMB Super Circular and Chapter 10.550, *Rules of the Auditor General of the State of Florida*;
- Management letter in accordance with the Rules of the Auditor General of the State of Florida;
- Independent Accountant's Report in Accordance with Chapter 10.550 of the Rules of the Auditor General of the State of Florida, relating to the City's compliance with *Section 218.415, Florida Statutes, Local Government Investment Policies*

Additionally, we will make an immediate written report to the Finance Director, City Manager and City Commission, of all irregularities and illegal acts or indications of illegal acts of which we may become aware and any additional disclosures regulated as mandatory.

We will also make a formal presentation to the City Commission summarizing the results of the audit.

RSM will perform all work within the specified time period listed in the City's Request for Proposal.

b. Provide a statement as to whether the firm is local, regional, or national. Identify the type of business entity involved (e.g., sole proprietorship, partnership, corporation, etc.). Identify whether the business entity is incorporated in Florida, another state or a foreign country. Provide the Federal Employer ID number of the Proposer.

RSM US LLP is the U.S. member of RSM International, a global network of independent audit, tax and consulting firms with more than 38,000 employees in over 120 countries worldwide. RSM is a limited liability partnership and a licensed certified public accounting firm in the State of Florida. RSM has been licensed as an accounting firm since March 5, 1984 with the State of Florida Department of Business and Professional Regulation, holding license number AD-P004384 (see Appendix for proof of licensure). RSM's Federal Tax ID Number is 42-0714325. The City will be served from our local office at 100 NE Third Avenue, Suite 300, Fort Lauderdale, Florida.

c. Provide an affirmative statement that the Proposer and all assigned key professional staff are properly licensed to practice in Florida.

RSM and all key professionals assigned to this engagement are licensed to practice in the State of Florida (See Appendix of this proposal for proof of licensures).

d. Describe the size of the firm, the number of offices, the number of partners and professionals, and the size of the government audit staff.

RSM US LLP is the leading provider of audit, tax and consulting services focused on the middle market, with more than 8,000 people in 80 offices nationwide. We are a licensed CPA firm and the U.S. member of RSM International, a global network of independent audit, tax and consulting firms with more than 37,000 people in over 110 countries. The following link directs you to a listing of our U.S. office locations <http://rsmus.com/locations.html>.



RSM's Florida Professional Staff by Classification Follows:

Employee Class	Florida Practice	
	Total Number	Public Sector Professionals
Partners	31	4
Directors/Managers	87	6
Supervisors/Senior Associates	115	10
Associates	110	15
Total	343	35

The City's engagement will be served primarily by professionals from our Fort Lauderdale office employed on a full-time basis; additional technical personnel are available from our other Florida and national offices as needed.

The engagement team will consist of three partners, one senior manager, one supervisor (in-charge) and several staff members on a full-time basis. You will also have access to various technical personnel including resource partners, actuarial and information technology consultants, government contracting consultants and National Audit and Accounting Office personnel, should the need arise.

e. Indicate the number of government clients, the types of governments served and the types of engagements for the firm.

RSM has significant experience in serving clients similar in size and complexity to the City. Our Firm has made the public sector industry one of its main industry focuses nationwide. This sector includes counties, municipalities, not-for-profits, and other government entities. We serve over 70 public sector entities in Florida and over 2,700 such organizations across the country, including over 700 government clients. In Broward County, we provide audit and consulting services for other neighboring governments, such as the City of Coral Springs, City of Miramar, City of Hollywood, City of Pompano Beach and the Broward County School Board.

Public sector is the primary market we serve in Florida. We provide more audit services to the public sector than to any other industry we serve in Florida. Our Florida public sector practice is also one of the largest of any accounting firm in the state.

With so much attention paid to this industry, our clients benefit from our ability to offer a collective wealth of individuals who are experienced and dedicated to this practice. This enables us to identify issues up front and discuss them with you well before year end. It also provides us with the perspective necessary to afford the City with insight as to the evolving body of thought related to specific issues.

RSM offers the City an experienced local team backed by extensive national resources. Given our experience auditing numerous local governments in Florida, you can have confidence in our skill, knowledge, and experience. Beyond our local commitment, we can call upon the vast resources of RSM's national practice to address emerging issues and intricate regulatory topics. Such depth of knowledge and resources can help ensure that your financial reports are accurate and can be relied upon with confidence. As a national firm, the City is not subject to the potential risks of a local firm where the loss of a key team member can significantly impact the level of service the City will receive.

Governmental Clients

A sample of the Florida public sector governmental entities our team serves, or has recently served is listed below:

A Sample of RSM's Florida Public Sector Clients		
City of Aventura	City of Palm Beach Gardens	Indian River County School Board
City of Cape Canaveral	City of Pompano Beach	Jacksonville Aviation Authority
City of Coconut Creek	City of Titusville	Jacksonville Port Authority
City of Cooper City	City of West Palm Beach	Jacksonville Transportation Authority
City of Coral Gables	Seminole Tribe of Florida	Brevard County School Board
City of Coral Springs	South Florida Water Management District	Broward County School Board
City of Deerfield Beach	Brevard County	Lake County Public Schools
City of Hallandale Beach	Clay County	Manatee County School Board
City of Hollywood	Martin County	Miami-Dade County School Board
City of Jacksonville	Miami-Dade County	Monroe County School Board
City of Miami	Miami-Dade Seaport Department	Orange County School Board
City of Miami, Dept. of Off-Street Parking	Miami-Dade Solid Waste Department	Osceola County School Board
City of Miami Beach	Palm Beach County	Polk County School Board
City of Miramar	Miami-Dade County	School District of Palm Beach County
City of North Lauderdale	Florida Dept. of Community Affairs	St. Johns County School Board
City of Orlando	Florida Turnpike System	Volusia County School Board
City of Palm Bay		

f. Describe the firm's approach to continuing professional education with particular attention to continuing professional education related to government sector engagements. Specifically indicate if your firm holds seminars and offers CPE to clients at no charge. If so, indicate approximate times (i.e., month) and locations held in a typical year.

We are committed to continuous learning and professional growth. Our Firm's competitive edge is the high level of professional competence that we provide to our clients. All employees are required to continually maintain "state of the art" skills for client service. In order to maintain our high level of technical competence, we have continuing education programs for all partners and professional staff members, which exceed national and state standards. All of the audit professionals of RSM comply with the



education requirements as set forth in *Government Auditing Standards*, published by the Comptroller General of the United States. All key members of the engagement team meet the educational requirements under Florida Statutes, Chapter 11.45.

RSM's audit and accounting programs train audit professionals to provide the accounting and auditing services which have become the cornerstone of our client relationships.

All professional employees receive at least 40 hours of continuing professional education (“CPE”) per year. Most professionals exceed that amount since each office location also conducts extensive training throughout the year.

All professionals who participate in audits of governmental clients receive a minimum of 24 hours of government audit and accounting CPE every two years in subjects directly related to:

- The client's environment, including accounting unique to the industry.
- Auditing techniques as they pertain to satisfaction of federal and state audit requirements.

The following chart illustrates the governmental continuing professional education hours obtained for the last three years by the engagement team members assigned to work on the City:

Employee	Government CPE Hours
Bob Feldmann	95
Brett Friedman	99
Donnovan Maginley	81
Anil Harris	74
Natalee Camoesas	79

Annually, in May, we conduct an 8-hour seminar held in Broward County for our clients and friends which covers emerging issues in the government sector with over two hundred and fifty attendees. **We will provide this training to the City, at no charge, for the life of this contract. We also provide technical newsletters and webinars throughout the year to our clients.**

Publications and webcasts

As our client, the City will have access to a variety of technical and advisory publications that cover information about current events and changes in laws and regulations.

The following are examples of communications available to you:

- **Financial Reporting Insights.** A biweekly resource for recent financial reporting developments and practice issues.
- **RSM Tax Digest.** A monthly newsletter highlighting tax developments of interest to today's organizations.
- **Educational webcasts and seminars.** We offer frequent virtual and in-person presentations on topics of importance to our clients



Timely information

We have resources dedicated to the timely communication of relevant information affecting business in general and our client's industries in particular. A sampling of our publications which are available to clients and friends of the firm include:

- **Muse** – a quarterly newsletter for government and not-for-profit entities to keep them abreast of the latest industry news and information featuring topics such as risk assessment, benchmarking and audit committee effectiveness.
- **National A&A Insights** – an electronic newsletter covering the latest in audit and accounting developments relevant to all industries.

Industry updates and education

This includes both live seminars we host as well as year round access to our industry newsletters and webinars on the latest audit and accounting issues and challenges facing our clients (i.e. cybersecurity). We also present on a variety of technical and industry-specific topics.

As an additional measure of our commitment to you, if selected as your auditors, we will commit to providing your professional staff with 8 hours of continuing professional education annually at no charge, for the life of the contract. On an annual basis we offer one of the largest local Florida government training seminars focusing on key issues facing our government clients. Average attendance is in excess of two hundred fifty people annually. City management and staff will be able to attend this training annually. In addition to receiving pertinent government CPE training, City staff will benefit from networking with staff from other local municipalities. As mentioned earlier, several key team members frequently present on audit and accounting issues and would welcome the opportunity to provide in-house training to your key accounting staff.

Accounting research

RSM offers our clients access to online research through CCH's Accounting Research Manager at our discounted rate. This web-based tool includes the original GASB Statements and Codification of Governmental Accounting and Financial Reporting Standards, GASB Implementation Guide and guidance on many other accounting standards and applications.

g. Describe the firm's approach to the peer review process and provide a report of the most recent peer review. Indicate whether that peer review included a review of local government client activities.

Our non-SEC audit practice is subject to the triennial peer review requirements of the American Institute of Certified Public Accountants (AICPA). As specifically required by the standards for such reviews and our membership in the AICPA Governmental Audit Quality Center (GAQC), a representative sample of the approximately 1,000 audits that are performed annually in accordance with Government Auditing Standards, including approximately 600 single audits, were selected for review.

April 30, 2013 (most recent available)

RSM's system of quality control for the accounting and auditing practice applicable to non-SEC issuers in effect for the year ended April 30, 2013, was subject to peer review by the firm of BKD LLP, a GAQC member firm. That review included a representative sample of health care, government and nonprofit engagements. Under the peer review standards, firms can receive a rating of pass, pass with deficiency(ies), or fail. **RSM received a peer review rating of pass.**

The full report is being provided to you, in the Appendix of this proposal, to comply with requirements of Government Auditing Standards. We trust that after reading the attached you will recognize that RSM's quality control policies and procedures for performance of audits in accordance with the *Government Auditing Standards* continue to meet the high standards set by the AICPA. **BKD, LLP discovered no findings or management comments when conducting their review.** Our next review is scheduled later this calendar year.

After 50 years of operating as a member of the RSM International network, our firm (formerly McGladrey, LLP) united with these fellow firms, effective October 26, 2015, under a common name and global brand: **RSM US LLP**. The reports were issued prior to this name change.

h. Describe any disciplinary actions that have been instituted or proposed against the firm during the last three years and any pending disciplinary matters of which the firm is aware with state regulatory bodies, or professional organizations.

Like other professional services firms, RSM engages in matters with legal and regulatory implications as a part of doing business. Therefore, we maintain a system of quality control that is structured to provide reasonable assurance that our personnel comply with applicable professional standards and applicable regulatory and legal requirements.

There are no pending disciplinary matters, nor have there been any such matters in the past three years, that could reasonably be expected to impact our ability to serve our clients generally, or to provide the services contemplated by this proposal, specifically.

i. Describe the results of any state or federal reviews of the firm's government client audit work during the past three years, and describe any pending reviews of which the firm is aware.

RSM performs approximately 1,000 audits annually in accordance with Government Auditing Standards, approximately 600 of which are single audits. Every year, approximately 1 percent of these engagements are selected for either desk or quality control reviews by state or federal cognizant/oversight agencies.

When any issues arise, our national director of public sector services (who has 30 years of compliance audit experience) is required to be consulted. He works directly with the engagement teams to mitigate any issues raised in connection with these reviews. All issues raised during the last three years have been resolved to the satisfaction of the oversight agencies involved.

Our own system of quality control also requires that the RSM national director of public sector services be consulted to mitigate any issues that might be internally identified relative to the quality of any prior audits performed by the firm. Any such issues identified in the last three years have also been resolved, when applicable, to the satisfaction of the oversight agencies involved.

j. Describe any instance that the firm withdrew from an engagement prior to the agreed contract expiration date.

RSM has not had any clients within the past five (5) years who have terminated their services, prior to the end of the official contract period, nor has RSM withdrawn from an engagement prior to the agreed contract expiration date.

k. *Provide an affirmative statement that the firm is independent of the City as defined by generally accepted auditing standards.*

We are familiar with the independence standards promulgated by the American Institute of Certified Public Accountants (AICPA) as well as those contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. RSM unequivocally meets the independence requirements relevant to audits of governmental units.

In all matters relating to the audit work required by the City, RSM is free from personal and external impediments to independence, is organizationally independent and will maintain an independent attitude and appearance with respect to the audit of the City. RSM is free of all obligations and interests that might or would conflict with the best interest of the City.

l. *Indicate the location of the firm's primary office that will staff the City of Margate engagement, the number of partners and professionals in the office, and the number of governmental auditing staff.*

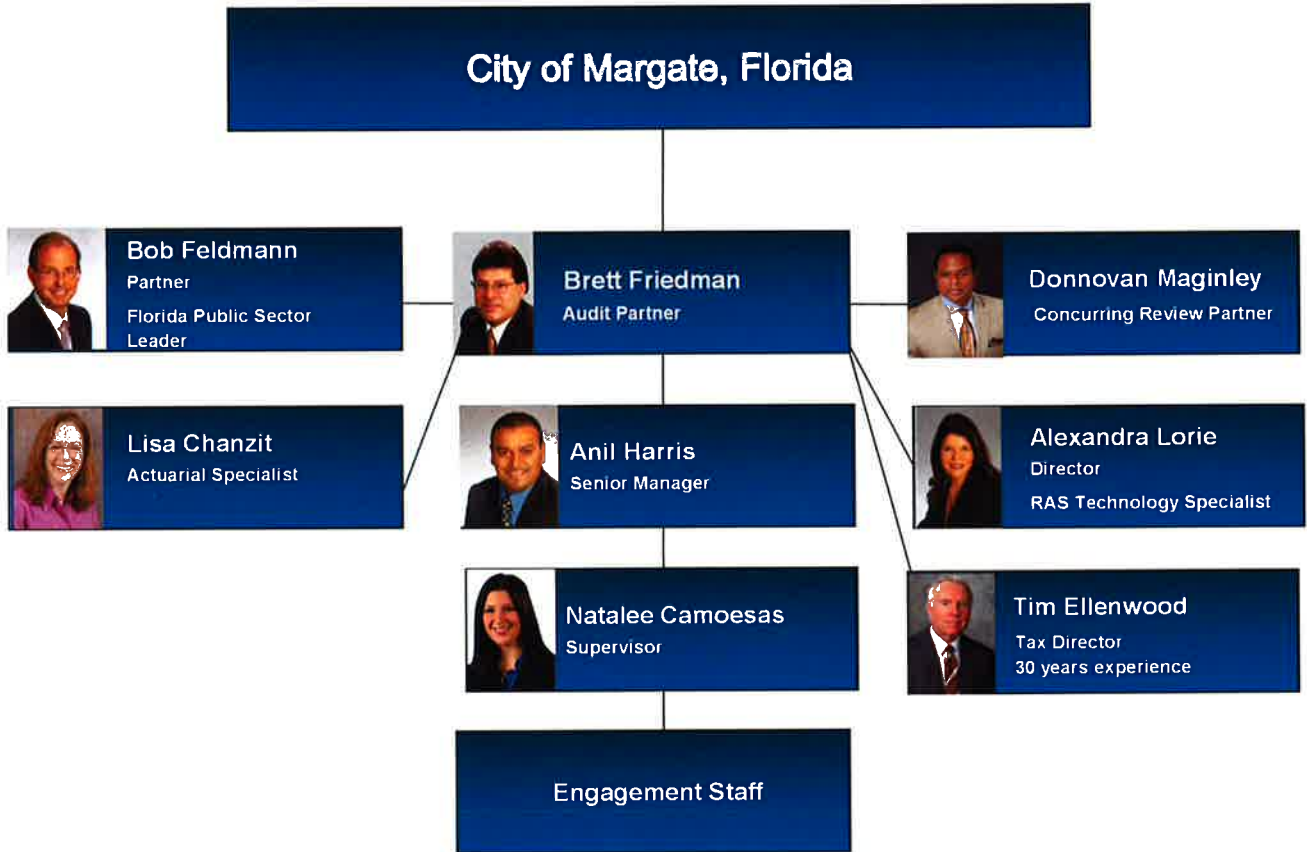
The City's engagement will be served by professionals from our Fort Lauderdale office located at 100 NE Third Avenue, Suite 300. The engagement team will consist of three partners, one senior manager, one supervisor (in-charge) and several staff members on a full-time basis. You will also have access to various technical personnel including resource partners, actuarial and information technology consultants, government contracting consultants and National Audit and Accounting Office personnel, should the need arise.

RSM's Fort Lauderdale, Florida Office Professional Staff by Classification Follows:

Employee Class	Total Number	Public Sector Staff
Partners	4	3
Directors/Managers	27	5
Supervisors/Senior Associates	22	8
Associates	27	12
Total	80	28

m. Indicate the Partner in-charge and professional staff that will be assigned to the City of Margate audit. For each person named above, provide as part of your proposal a resume.

The City's audit will be staffed with personnel primarily from our Fort Lauderdale office. The engagement team consists of the following professionals. Resumes for each team member follows the organizational chart.





Bob Feldmann, CPA

Partner, Public Sector
National Public Sector Assurance Leader
RSM US LLP
Fort Lauderdale, Florida
bob.feldmann@rsmus.com



Summary of experience

Bob is our Southeast Market Public Sector Practice Leader and is the National Public Sector Assurance Leader for the firm. Bob is part of the Firm's Tribal Services and National Gaming Group. Bob has over 30 years of audit and accounting experience, serving as partner on various not-for-profit and governmental clients. His experience includes performing audits in accordance with Government Auditing Standards, OMB Circular A-133, Federal Single Audit Act, Florida Single Audit Act, and the Rules of the Auditor General of the State of Florida.

Representative client list

- City of Coral Gables
- City of Miami
- City of Aventura
- City of Cooper City
- City of Coconut Creek
- City of Deerfield Beach
- City of Jacksonville
- City of North Miami
- City of North Lauderdale
- City of Palm Beach Gardens
- Broward County
- Palm Beach County
- Boca Raton Airport Authority
- Miami-Dade County School Board
- Seminole Tribe of Florida
- University of Miami
- Palm Beach County Department of Airports

Professional affiliations and credentials

- American Institute of Certified Public Accountants, member
- Beacon Council, board member
- Broward County Salvation Army Adult Rehabilitation Center, Advisory Council Chairman
- FIU President's Council
- FIU School of Accounting Advisory Board
- Florida Government Finance Officers Association, associate member
- Florida Healthcare Association
- Florida Institute of Certified Public Accountants, member
- Government Finance Officers Association, associate member
- Greater Miami Chamber of Commerce, trustee member
- Healthcare Financial Management Association

Education

- Bachelor of Science, Accounting, University of Florida
- Master of Science, Taxation, University of Miami
- CFO Program, University of Minnesota Graduate School of Business





Brett Friedman, CPA

Partner, Public Sector
RSM US LLP
Fort Lauderdale, Florida
brett.friedman@rsmus.com

Summary of Experience

Brett has more than 20 years of experience providing audit and consulting services to governmental and not-for-profit clients. His experience includes being the leading partner on governmental audits. A partial listing of his governmental audit client experience follows:

- City of Aventura
- City of West Palm Beach
- City of Boca Raton
- City of Cape Coral
- City of Coconut Creek
- City of Coral Gables
- City of Coral Springs
- City of Deerfield Beach
- City of Miramar
- City of Hallandale Beach
- City of Hollywood
- City of Miami Springs
- City of Jacksonville
- City of North Miami
- City of North Miami Beach
- City of Pembroke Pines
- City of Sunrise
- Town of Davie
- Village of Key Biscayne
- Broward County
- Clay County
- Glades County
- Martin County
- Miami-Dade County
- Palm Beach County
- Broward County Department of Airports
- Jacksonville Aviation Authority
- Jacksonville Port Authority
- Palm Beach County Department of Airports
- South Florida Water Management District
- Miami-Dade County School Board
- School Board of Broward County
- School District of Palm Beach County

Educational Background, Certifications and Other Training

- Certified Public Accountant, State of Florida
- American Institute of Certified Public Accountants, Member
- FICPA State and Local Government Section, FICPA Florida Industry Section and FICPA Accounting Auditing Section, Committee Member
- FIU Career Management Services Advisory Board, Chair
- Florida Institute of Certified Public Accountants, Member
- Florida International University School of Accounting Corporate Advisory Board, Member
- Government Finance Officers Association and Florida GFOA, Associate Member
- Miami Downtown Chapter of the FICPA, Past President
- University of Miami School of Accounting Corporate Advisory Board, Member
- Government Finance Officers Association Special Review Committee, Member
- Florida Government Finance Officers Association 2015 conference presenter, *Internal Auditing 101*

Education

- State University of New York at Albany, Bachelor of Science in Accounting & Economics
- University of Miami, Masters of Business Administration





Donnovan Maginley, CPA

Partner, Public Sector
RSM US LLP
Fort Lauderdale, Florida
donnovan.maginley@rsmus.com



Summary of experience

Donnovan has over 23 years of audit experience and has devoted his entire career serving the public sector. Throughout his career, he has managed and supervised audits of very large and complex municipal engagements, including City of Pompano Beach, Miami-Dade County, Broward County, and the City of Miami. His recent experience afforded him the opportunity to implement GASBs 67 and 68. Donovan has been involved in special projects that include assisting in the development of an operating budget for a municipal entity that was declared to be in a financial emergency, the preparation of comfort letters in association with various bond offerings, and the formation of an indirect cost allocation plan that aided in the allocation of applicable cost to grants. Donovan's extensive experience enables him to provide timely feedback and "best practice" recommendations relating to various accounting practices and internal control improvements.

Representative client list

- City of Pompano Beach
- City of Miami
- City of Hollywood
- City of Miami Beach
- City of Miami, Department of Off-Street Parking
- Miami-Dade County
- Miami-Dade Seaport Department
- Miami-Dade Solid Waste Department
- Broward County
- Palm Beach County
- City of Cooper City
- City of Coral Gables
- City of Florida City
- City of Miami Springs
- City of North Miami
- City of Palm Beach Gardens
- City of Sunrise
- Miami-Dade County School Board
- Palm Beach County School District

Professional affiliations and credentials

- Certified Public Accountant, State of Florida and Washington D.C.
- American Institute of Certified Public Accountants, Member
- Florida Institute of Certified Public Accountants, Member
- Government Finance Officers Association and Florida GFOA, Associate Member
- Board member and finance committee member of the Miami Coalition for the Homeless

Education

- Barry University, Bachelor of Science, Accounting
- Barry University, Masters of Professional Accounting



Tim Ellenwood

Director, Employment Tax
State and Local Tax
RSM US LLP
tim.ellenwood@rsmus.com



Summary of experience

Tim is an employment tax director based in our Vienna, Virginia office. He joined RSM in 2011 and serves as an employment tax leader in the East Region.

Tim is a state and local tax professional with more than 30 years of experience. He specializes in federal, state, and local employment tax matters. Tim regularly consults with multistate taxpayers in addressing technical issues in the areas of payroll reporting and processing, unemployment taxation and reporting requirements for independent contractors. In addition, Tim has extensive experience with assisting companies with employment tax issues associated with corporate transactions (acquisitions, mergers & reorganizations), golden parachute, worker classification, taxation of executive compensation and benefits, taxation of stock based compensation, refund reviews, state nonresident withholding and other complex employment tax matters.

Prior to joining RSM, Tim spent 8 years as an employment tax leader with a Big 4 accounting firm. During his career, he has also spent time with several national employment tax and regional accounting firms. Tim has provided employment tax services to employers of all size, small to Fortune 100 companies, including the federal government.

Professional affiliations and credentials

- Certified Payroll Professional
- American Payroll Association

Education

- Bachelor of Science in Business Administration, University of Northern Colorado



Anil Harris, CPA

Senior Manager, Public Sector, Assurance Services
RSM US LLP
Fort Lauderdale, Florida
anil.harris@rsmus.com

Summary of experience

Anil has over 10 years of government auditing experience. His experience includes performing audits in accordance with Government Auditing Standards, OMB Circular A-133, Federal Single Audit Act, Florida Single Audit Act, and the Rules of the Auditor General of the State of Florida. Anil's recent experience afforded him the opportunity to implement GASB 67 and 68. Anil's primary focus is working on municipal/local governments and not-for-profit entities within the South Florida region.

Representative client list

- City of Coral Gables
- City of Miami
- City of Miramar
- City of Coral Springs
- City of Hollywood
- City of Coconut Creek
- City of Jacksonville
- Glades County
- Miami-Dade County
- Palm Beach County
- School Board of Miami-Dade County
- School District of Palm Beach County
- Miami-Dade Seaport Department
- Miami-Dade Solid Waste Department

Professional affiliations and credentials

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

Education

- Bachelor of Science, Accounting, University of Florida
- Masters, Accounting, University of Florida





Natalee K. Camoesas, CPA

Supervisor, Assurance Services
RSM US LLP
Fort Lauderdale, Florida
natalee.camosas@rsmus.com



Summary of experience

Natalee has over eight years of public accounting experience, providing financial and compliance audit and consultation services to a variety of public sector entities. She focuses primarily on, cities, counties, school districts, healthcare organizations, and not-for-profit organizations. In her current role, Natalee delivers advice and consultation regarding complex accounting matters, assists engagement teams conducting and supervising audits, and is responsible for ensuring that reports issued by the firm comply with professional standards.

A partial listing of her government/not-for-profit audit experience follows:

- City of Coral Springs
- City of Miramar
- Broward County
- Palm Beach County
- City of Fernandina Beach
- City of Jacksonville Beach
- City of Jacob City
- City of Fort Lauderdale
- City of Deerfield Beach
- City of Coral Springs
- City of Hollywood
- Dog Island Special Conservation District
- Florida Sheriff Youth Ranches, Inc.
- Florida Medical Practice Plan, Inc.
- Broward Regional Health and Planning Council
- Florida Association of Court Clerks, Inc.
- Florida State University International Programs
- Broward Regional Health and Planning Council
- School Board of Manatee County
- School Board of Broward County
- School Board of Escambia County
- Nassau County
- Liberty County

Professional affiliations and credentials

- Certified Public Accountant, State of Florida
- American Institute of Certified Public Accountants, Member
- Florida Government Finance Officers Association, Program Committee Member
- Florida Institute of Certified Public Accountants, Member

Education

- Bachelor of Science, Accounting, Florida State University
- Bachelor of Science, Finance, Florida State University





Alexandra M. Lorie

Director, RAS Technology
RSM US LLP
alexandra.lorie@rsmus.com



Summary of Experience

Alexandra Lorie is a Director in RSM's Information Technology (IT) risk advisory and business consulting practice in Florida. Alexandra is a consulting professional and project manager with over 15 years of experience working in "Big 4" and global technology consulting firms. Alexandra has experience leading and coordinating business and IT engagements helping companies in a variety of industries. Alexandra possesses a Master's in Management Information Systems.

Areas of experience include IT general control and application control reviews, IT risk assessments, Sarbanes-Oxley Section 404 and FDICIA compliance, IT attestation (SOC 1/2), project and engagement management, special IT projects and program assessments, business process analysis and improvement, policy and procedure evaluation and development, and system development and implementation.

Representative Client List

- City of Pompano Beach
- City of Miami
- City of Miami Beach
- City of Coral Springs
- City of Hollywood
- City of Homestead
- City of Jacksonville
- City of Miramar
- City of Coral Gables
- Palm Beach County
Department of Airports
- Broward County School Board
- School District of Palm Beach
County
- School Board of Brevard County
- School Board of Miami-Dade
County
- Department of Off-Street Parking
- Greater Miami Convention &
Visitors Bureau
- John S. & James L. Knight
Foundation
- Broward County Clerk of Courts
- South Florida Water
Management District
- Brevard County
- Miami-Dade County

Professional Affiliations and Certifications

- Information Systems Audit and Control Association (ISACA)
- Institute of Internal Auditors (IIA)

Education

- Master of Science in Management Information Systems, Florida International University
- Bachelor of Business Administration in International Finance and Marketing, and Computer Information Systems, University of Miami





Lisa Chanzit

Actuarial Specialist
RSM US LLP
lisa.chanzit@rsmus.com



Summary of Experience

Lisa is a Director in the Actuarial Services practice of RSM's Human Capital Services unit, providing actuarial consulting services for self-insured and fully insured plan sponsors in the public and private sectors. She has over 36 years of actuarial experience. She provides actuarial support for the firm's audits of government entities, insurance companies, captives, risk pools, and self-insured corporations.

Representative Client List

- City of Pompano Beach
- City of Deerfield Beach
- City of Hollywood
- City of Miami
- City of Miami Beach
- City of Miramar
- City of Jacksonville
- City of Coral Gables
- Palm Beach County
- School Board of Broward County
- School Board of Miami-Dade County
-

Professional Affiliations and Credentials

She is a member of the Public Risk Management Association working group on Accounting Standards and Reporting Guidelines and GASB10 Omnibus Project Committee. She is also a member of the CAS Textbook Committee, Syllabus Committee, Hachemeister Prize Committee, Audit Committee, and AAA Financial Reporting Principles Committee.

Education

- Bachelor of Arts in Mathematics and Biology from the University of Rochester
- Master of Science in Statistics from the University of Chicago



- n. Describe your assigned staff's experience in preparing governmental financial statements and in providing assistance in obtaining the Certificate of Achievement for the Comprehensive Annual Finance Report ("CAFR").

We will provide the City with technical assistance to ensure that the City continues to meet the requirements of the GFOA's Certificate of Achievement for Excellence in Financial Reporting Program. Every client we have, who has pursued the GFOA Certificate of Achievement, has received it for every year we have audited them. Some of our proposed team members serve or have served as members of the GFOA Special Review Committee. In addition, all of the key staff assigned to the City have at least eight years' experience in preparing governmental financial statements and in providing assistance in order to obtain the Certificate of Achievement for the Comprehensive Annual Finance Report (CAFR).

- o. List the most significant engagements (maximum of five) performed in the last five years with Florida governmental clients for which your assigned staff has provided audit services similar to the engagement described herein. Include the principal client contact name, title, e-mail address, and telephone and fax numbers.

Below is a select list of Florida governmental clients served within the past five years which are similar in nature to that of the City.

Client name & contact reference information	Scope of work	Service dates	Engagement partner	Total hours
City of Coral Gables Diana Gomez, Finance Director 405 Biltmore Way Coral Gables, FL 33134 (T) 305.460.5275 (F) 305.460.5725 dgomez@coralgables.com	Annual audit and federal and state single audits	2004 - 2015	Donnovan Maginley	1,200
City of Coral Springs Kim Moskowitz, Controller 9551 West Sample Road Coral Springs, FL 33065 (T) 954.344.1092 (F) 954.344.1198 KMoskowitz@coralsprings.org	Annual audit and federal and state single audits; CRA audits	2006 - 2015	Brett Friedman	1,200
City of Pompano Beach Suzette Sibble, Finance Director 100 West Atlantic Boulevard Pompano Beach, FL 33060 (T) 954.786.4605 (F) 954.786.4687 Suzette.Sibble@copbfl.com	Annual audit and federal and state single audits	2005 - 2015	Donnovan Maginley	1,200
City of Hollywood Ernie Acosta, Division Director, General Accounting 2600 Hollywood Blvd. Hollywood, FL 33020 (T) 954.921.2321 (F) 954.921.3554 eacosta@hollywoodfl.org	Annual audit and federal and state single audits, CRA audits, pension audits	2009 - 2015	Donnovan Maginley	2,500
City of Miramar Barbara Hastings, Asst. Finance Director 2300 Civic Center Place Miramar, FL 33025 (T) 954.602.3051 (F) 954.602.3779 bdhastings@miramarfl.gov	Annual audit and federal and state single audits	2011 - 2016	Brett Friedman	900

- o. Describe the circumstances that would result in staffing changes. The firm may replace any staff assigned to the City’s engagement provided that replacements have substantially the same or better qualifications or experience. The City retains the right to approve or reject replacements.

We recognize the impact staffing changes have on clients and are committed to maintaining continuity and team stability as much as possible.

Our policy is to maintain the integrity of the client service team from year to year. While we cannot guarantee that every member of the service team will return each year, we provide staffing consistency whenever possible. In addition, we make every effort to mitigate disruption when staffing changes occur.

If a change in key personnel should arise, partners and managers on your account will transfer specific knowledge about the City to new team members, helping to bridge any gaps and avoid interruptions in the performance of services. We will also request authorization from the City to approve or reject any replacements which may be required.

p. Describe the overall approach that the firm would take in this audit engagement

Audit work plan

We will audit the financial statements and compliance of the City in accordance with the provisions included in the request for proposal, in order to express an opinion on an annual basis on the financial statements and compliance of the City.

Key steps in the RSM audit process are summarized below.

UNDERSTAND THE CLIENT	RISK ASSESSMENT	FURTHER AUDIT PROCEDURES	EVALUATION	DELIVERY
<ul style="list-style-type: none"> · Business objectives · Financial performance · Accounting policies · Internal control 	<ul style="list-style-type: none"> · Risks of material misstatement (error or fraud) · Significant risks · Control deficiencies 	<ul style="list-style-type: none"> · Tests of controls · Substantive analytical procedures · Substantive tests of details 	<ul style="list-style-type: none"> · Audit evidence · Uncorrected misstatements 	<ul style="list-style-type: none"> · Issue reports

- **Understand the client**—We learn as much as possible about your business up front in order to properly understand the account balances, classes of transactions, and disclosures relevant to your activities.
- **Risk assessment**—We assess the risk that errors or fraud may cause a material misstatement of financial statements. We next decide whether the identified risks relate to specific relevant assertions related to significant account balances, classes of transactions, or disclosures, or whether they relate to the financial statements taken as a whole and potentially affect many relevant assertions. We then determine which of the identified risks of material misstatement are significant risks that require special audit consideration. We also identify internal control deficiencies as part of our risk assessment process.
- **Further audit procedures**—We next determine the nature, timing and extent of tests of controls and substantive procedures necessary to address the risks identified. We select transactions for testing using various approaches, which may include specific identification of transactions or may involve sampling. When audit evidence obtained from the audit procedures results in identification of previously unidentified risks of material misstatement or contradicts planned risk assessment procedures, we revise the assessment and plan and perform



additional audit procedures to reduce risk of material misstatement related to those assertions to an acceptably low level.

- **Evaluation**—At the conclusion of the audit, we evaluate the sufficiency and appropriateness of the audit evidence obtained and whether the assessments of the risks of material misstatement at the relevant assertion level remain appropriate. We may redesign planned audit procedures based on our evaluation. We also evaluate the effects, both individually and in the aggregate, of factual, judgmental, and projected misstatements that are not corrected. We communicate all misstatements identified during the audit, other than those we believe to be trivial, to management and the commission on a timely basis.
- **Delivery**—Our audit culminates with the issuance of a report on the financial statements, report on internal control over financial reporting, report to the City Commission and, if applicable, communications of material weaknesses and significant deficiencies.

q1. Describe the type and extent of analytical procedures to be used in the engagement, specifically the extent to which statistical sampling is to be used in the engagement.

Analytical procedures

Our audit approach requires the use of analytical procedures to assist in planning the nature, timing and extent of other auditing procedures.

The primary focus of analytical procedures employed at the planning stage is the identification of specific risks or errors in the financial statements or of compliance violations. By considering unusual or unexpected balances or relationships, analytical procedures help to direct our attention to areas with the highest potential for material misstatement. Preliminary analytical procedures may also identify unfavorable trends or other matters. See section "q6" for specifics on statistical sampling.

q2. Describe the approach that would be taken in auditing computer related activities.

The computerized audit tools we use are summarized below:

CaseWare. We use an audit automation tool that streamlines audit work. Use of this software reduces first-year work for your accounting staff and allows for a more efficient audit effort. In an automated audit engagement, workpapers are created and stored in electronic files. Audit program sheets are integrated with electronic workpapers and inserted into a comprehensive engagement file. This tool facilitates our documentation of your financial processes and internal control procedures, as well as testing for an understanding of the actual operation of these processes and controls.

Data mining and extraction. We use IDEA® as our data mining and extraction tool. In addition to some of the more common audit retrieval tools, IDEA® improves audit efficiency by allowing us to perform fewer manual procedures. Functions include: (a) sampling, including selection and evaluation for systematic, random, stratified random, monetary unit and attribute sampling; (b) field manipulation that allows fields to be appended for calculations and recomputations, facilitates account reconciliations and analyzes the population for major or unusual transactions; and (c) field statistics that display and print statistics about transactions.

Secured file transfer protocol. As an RSM client, you will have access to our secured file transfer protocol. We will deploy an SFTP data repository in an effort to ensure client-prepared data files are posted to a central location, thus reducing, or otherwise eliminating, issues that may arise when such files are exchanged between client personnel and audit staff. The program we use is called Collaborate and you will have the ability within the program to designate which City staff can have access. Since we realize there are sometimes sensitive data like payroll, multiple folders can be

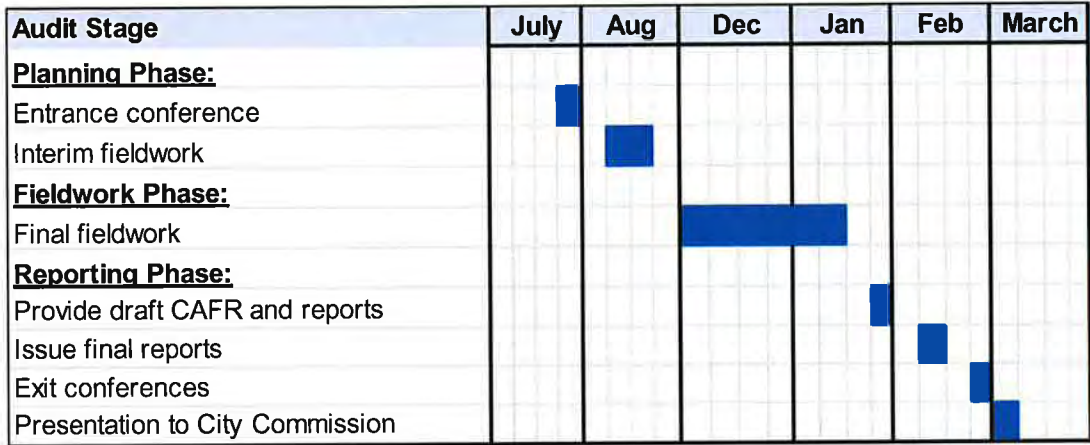
established and access rights for City staff can be restricted to appropriate personnel only. We also use the Project Tracker as our engagement management tool which is housed on Collaborate.

We will review the City’s general access controls, IT general controls and application level controls with assistance from technology specialists from our Technical Risk Advisory Services group. This will include a look at your system security and system vulnerability. This is important in current times with the upswing in cyber attacks and increased reliance by our government clients on the IT systems.

q3. Describe how the audit engagement would be segmented and indicate the number of hours that would be devoted to each segment.

Proposed segmentation of the engagement.

The following chart depicts our proposed audit timeline for each fiscal year beginning with 2016 which may be modified based on discussion with City management during our audit planning meetings:



Staffing segment

The following table summarizes each staff levels approximate hours for each segment of the audit engagement for the City:

	Partners/ Directors	Managers	Supervisor/Senior Associates	Associates	Total
Planning Phase	18	36	58	68	180
Fieldwork Phase	54	108	174	204	540
Reporting Phase	18	36	58	68	180
Totals	90	180	290	340	900

q4. Describe the approach to be taken to gain and document an understanding of the City’s internal control structure.

Understanding of internal controls

We will develop an initial understanding of the City’s internal control environment. In conducting our study and evaluation of internal accounting and administrative controls, we will—1) Meet with process owners and perform an in-depth review of internal controls; 2) Use internal control narratives to document key flows of information; 3) Document our understanding of the information systems and control activities (including controls over segregation of duties, safeguarding of assets, and asset accountability) for significant accounts and classes of transactions; 4) Utilize our IDEA® file interrogation software to make random selections for applicable tests of controls; and 5) Evaluate audit risk for all key financial statement assertions and compliance determinations.



q5. Describe the approach to be taken in determining laws and regulations that will be subject to audit test work.

Approach to laws and regulations

In accordance with Government Auditing Standards, we will design the audit to gather sufficient appropriate evidence related to auditee compliance with laws, regulations and provision of contracts and agreements that could have a direct and material effect on the financial statements. In addition, we will be alert to situations or transactions that could be indicative of illegal acts or abuse. Our audit procedures will include inquiry of the City's personnel, as well as a review of the Florida state law and codes along with any relevant contracts, lease agreements, grant agreements, or other binding contracts. Our audit procedures will be designed to detect material noncompliance with the applicable provisions. This will include compliance with the Rules of the Florida Auditor General and any special attestation or other compliance reports required under state laws or local agreements, as noted in your request for proposal.

q6. Describe the approach to be taken in drawing audit samples for purposes of tests of compliance.

Sampling

RSM uses statistical sampling in selecting items for testing compliance and/or substantive tests where it is determined to be cost beneficial and efficient to sample the population. To assist in the selection and evaluation of the samples, IDEA®, a statistical sampling microcomputer software package, will be employed to ensure the most efficient sampling techniques are used. Our Firm has an Audit Methodology Manual which contains procedures for the control and evaluation of sampling risk, selection of samples, and evaluation of sample results.

Audit sampling will be used during the audit to perform four kinds of tests—(1) Compliance tests of internal accounting control procedures that we plan to rely on to reduce the scope of planned substantive tests, (2) Substantive tests as part of the audit of the governmental unit's basic financial statements, (3) Compliance tests to provide reasonable assurance that internal control (accounting and administrative) procedures used in administering federal and state financial assistance programs are being applied as prescribed, and (4) Substantive tests of compliance with laws and regulations as part of the audit of the basic financial statements and for the purpose of reporting on compliance with laws and regulations as they relate to the schedule of expenditures of federal awards and state financial assistance.

Testing for such items as revenue cycle/accounts receivable, payroll and general disbursements, capital asset additions and deletions, and other transaction cycles are usually planned for an "off balance sheet" date during interim fieldwork, in order to enhance engagement execution and reduce the extent of year-end testwork.

Tests of compliance

RSM uses both statistical and non-statistical sampling in selecting items for testing compliance and/or substantive tests (dual purpose testing) where it is determined to be cost beneficial and efficient to sample the population.

Audit sampling will normally be used in audits of governmental units to perform the following kinds of test of compliance: 1) Compliance tests of internal accounting control procedures that we plan to rely on to reduce the scope of planned substantive tests; and 2) Compliance tests to provide reasonable assurance that internal control (accounting and administrative) procedures used in administering federal and state financial assistance programs, if any, are being applied as prescribed. In fiscal 2016 and subsequent thereto, the City will be required to comply with the new Uniform Guidance for

all new grant awards, but will still follow A-133 for existing awards. Our audit approach and testing will be modified to comply with the new requirements and old, as applicable.

q7. Describe cost-effective audit techniques that may be anticipated, or recommended for this engagement.

We use the following Firm systems to apply cost-effective audit techniques throughout the audit process.

CaseWare

We use an audit automation tool that streamlines audit work. Use of this software reduces work for your accounting staff and allows for a more efficient audit effort. In an automated audit engagement, workpapers are created and stored in electronic files. Audit program sheets are integrated with electronic workpapers and inserted into a comprehensive engagement file. This tool facilitates our documentation of your financial processes and internal control procedures, as well as testing for an understanding of the actual operation of these processes and controls.

Data mining and extraction

We use IDEA® as our data mining and extraction tool. In addition to some of the more common audit retrieval tools, IDEA® improves audit efficiency by allowing us to perform fewer manual procedures. Functions include: (a) sampling, including selection and evaluation for systematic, random, stratified random, monetary unit and attribute sampling; (b) field manipulation that allows fields to be appended for calculations and recomputations, facilitates account reconciliations and analyzes the population for major or unusual transactions; and (c) provides field statistics that display and print statistics about transactions.

Secured file transfer protocol

As an RSM client, you will have access to our secured file transfer protocol (SFTP). We will deploy an SFTP data repository in an effort to ensure client-prepared data files are posted to a central location, thus reducing, or otherwise eliminating, issues that may arise when such files are exchanged between client personnel and audit staff. The program we use is called Collaborate and you will have the ability within the program to designate which City staff can have access to different files within the program.

q8. Describe the interim and final examination techniques to be used in the engagement.

As indicated and described in the questions and answers above, RSM will obtain an understanding of key controls over the main cycle transaction processes and perform interim testing over the such controls. RSM will complete this testing, in addition to all other substantive testing during final fieldwork. Techniques utilized for both interim and final examination will be those listed under the sampling, test of compliance, and data mining and extraction sections above.

q9. Describe the assistance that could be provided in meeting the requirements of the Certificate of Achievement for Excellence in Financial Reporting. Describe the approach that the firm would take to insure that the timetable would be met.

We will provide the City with technical assistance as required to ensure that the City continues to meet the requirements of the GFOA's Certificate of Achievement for Excellence in Financial Reporting Program. Every client we have, who has pursued the GFOA Certificate of Achievement, has received it for every year we have audited them. Proposed team members serve or have served as members of the GFOA Special Review Committee. All of the key staff mentioned above have at least eight years' experience in preparing governmental financial statements and in providing assistance in order to obtain the Certificate of Achievement for the Comprehensive Annual Finance Report (CAFR).

q10. Describe the process that the firm will take to produce a meaningful Management Letter. Include a recent Management Letter developed in connection with local government audits.

At the conclusion of our work, we will prepare a written report of significant findings from the audit. As required by professional standards, this report will be shared with those charged with governance. We will also communicate to management and those charged with governance any control deficiencies identified during the audit that, upon evaluation, are considered significant deficiencies or material weaknesses.

In the course of the engagement, our professionals may also observe opportunities for the City to modify or improve your practices or procedures. We will communicate those suggestions in a management letter that will be issued at the conclusion of the audit. We will be happy to assist you in addressing or implementing any of the suggestions that are communicated in our management letter.

If a management letter is issued, it will be intended solely for the information and use of management and others within the entity and should not be used by anyone other than these specified parties.

See the Appendix for an example of a recent Management Letter that was developed in connection with a local governmental audit.

q11. Provide specific assurances that the firm and each individual staff member assigned to the engagement are free from personal or external impairments to independence, and are organizationally independent and will maintain an independent attitude and appearance.

We are familiar with the independence standards promulgated by the American Institute of Certified Public Accountants ("AICPA") as well as those contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. RSM and its staff unequivocally meets the independence requirements relevant to audits of governmental units.

In all matters relating to the audit work required by the City, RSM and the assigned engagement staff are free from personal and external impediments to independence, are organizationally independent and will maintain an independent attitude and appearance with respect to the audit of the City. RSM and the assigned engagement staff are free of all obligations and interests that might or would conflict with the best interest of the City.

RSM will ensure that each individual staff member assigned to the engagement is free from personal and external impairments with regards to independence, and is organizationally independent and will maintain an independent attitude and appearance.

r. Identify and describe potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the City.

Based on our knowledge of the issues facing our public sector clients, we do not anticipate there being any potential audit problems.

In the event that audit problems arise, our overriding Firm philosophy towards issue resolution is the fact that the financial statements are the representation of and by the City. Therefore, we believe that as long

as the City has a rational or defensible position, the City should be able to employ that accounting treatment without any negative audit impact. RSM will work with the City towards this end. In addressing any issue, communication and timely resolution are critical. We use the following approach to seek a mutually agreeable resolution of accounting and reporting issues:

Step 1 – Define and understand the issue through discussion with the City’s management and verified audit information;

Step 2 – Make an initial assessment of the impact of alternative accounting treatments;

Step 3 – If the impact has significant potential, gather research which may include the following: obtain the City’s research and rationale for their positions; gather additional details; draw on common practices within other Florida municipalities; inquire with RSM’s National Office of Audit and Accounting; and utilize recognized Firm experts;

Step 4 – Discuss with the City’s staff the results of our research; and

Step 5 – Resolve the issue.

- s. *Provide a summary of any litigation filed against the Proposer in the past three years which is related to the services that the Proposer provides in the regular course of business. The summary shall state the nature of the litigation, a brief description of the case, the outcome or projected outcome, and the monetary amounts involved. If the firm has no litigation meeting the above criteria, provide an affirmative statement to that effect.*

RSM is a national provider of accounting, tax and consulting services. Like other professional services firms, we engage in matters with legal and regulatory implications as a part of doing business. At any given time, most public accounting firms will have ongoing legal activity.

As is customary within the accounting profession and other professional practices, RSM does not disclose information pertaining to legal proceedings. Settlements and regulatory activity often involve matters that are bound by confidentiality agreements and orders that prohibit comment. However, there are no pending or actual claims that could reasonably be expected to impact our ability to serve our clients generally, or to provide the services contemplated by this proposal, specifically.

During the last three years, we have not been a defendant in any litigation, or regulatory action arising out of professional services performed for any state, county, school district, municipality or special district. This representation encompasses our nationwide practice at RSM.

- t. *Disclose any potential conflicts of interest due to any other client’s contract of property interests or include a notarized statement certifying that no member of your firm’s ownership, management, or staff currently has a vested interest which might be considered a conflict of interest.*

We affirm that neither RSM nor any of our Firm’s partners has had any professional relationships involving the City or any of its agencies, component units or oversight units for the past five years. Additionally, we certify that no member of our firm’s ownership, management, or staff currently has a vested interest which might be considered a conflict of interest.

- u. *Provide proof that the firm is in compliance with the insurance requirements beginning on page 11 of the RFP regarding minimum coverage for Insurance including Professional Liability coverage.*

We have reviewed the insurance requirements as outlined in the City’s request for proposal and RSM affirms that we meet all levels of these requirements. We are providing sample insurance certificates in the Appendix of this proposal, as evidence of our coverage levels. Upon being

engaged by the City, we will obtain the required Insurance certificates naming the City as an additional insured on the policy.

v. Provide a financial statement, annual report, or other similar evidence of the Proposer's financial stability.

As a limited liability partnership, RSM US LLP has no requirement to prepare financial statements for external release. We affirm, however, that RSM has the capacity—both in size and financial strength—to serve our clients, as illustrated by the following:

- Founded in 1926, today RSM is the fifth largest accounting, tax and consulting firm in the U.S., as ranked in Accounting Today's 2016 Top 100 Report.
- For the most recent fiscal year with available data, RSM reported revenue of \$1.637 billion, an increase of 11.3% in comparison to the prior year. The average of our last three fiscal years of revenue is \$1.491 billion.
- RSM US LLP has 8,000 professionals and associates in over 80 cities nationwide.
- RSM US LLP is a member of RSM International, a global network of independent assurance, tax and consulting firms with more than 38,000 professionals worldwide.
- As of January 14, 2016, RSM US LLP was assigned a low risk commercial credit score. An independent D&B comprehensive credit report for RSM US LLP (DUNS # 07-348-2424) can be ordered via the D&B website at <http://www.dnb.com/>.

RSM US LLP maintains a level of insurance coverage customary for companies of our financial size and strength. We carry commercial general liability, automobile liability, statutory workers' compensation/employers' liability, property, network security & privacy liability, professional liability (i.e., errors and omissions), and other miscellaneous insurance policies. Proof of relevant coverage is located in the Appendix to this proposal. However, to affirm that RSM has significant size and financial strength to serve the City, following is a copy of our CFO certificate attesting to the financial condition of the firm.



RSM US LLP
901 Nicollet Mall
Suite 1100 - West Tower
Minneapolis, MN 55402-2526

T +1 612 332 4300
F +1 612 455 9880
www.rsmus.com

April 30, 2016

PRIVATE & CONFIDENTIAL

RSM US LLP is a private limited liability partnership. As such, we have no audit requirement nor do we have a requirement to prepare financial statements for external release. However, to demonstrate the financial strength of the organization, I can state that as of April 30, 2016, RSM US LLP had working capital in excess of \$195,000,000 and net assets in excess of \$665,000,000 and revenues for the fiscal year ending April 30, 2016 in excess of \$1,845,000,000.

Douglas Ophelm
Chief Financial Officer

Date: 5/13/16

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM US LLP is the US member firm of the RSM network of independent member and consulting firms. We have a strict firewall to ensure confidentiality among RSM US LLP and other member firms.



w. Any additional information, which the Proposer considers pertinent for consideration, should be included in this part of the proposal.

Publications and webcasts



As our client, the City will have access to a variety of technical and advisory publications that cover information about current events and changes in laws and regulations.

The following are examples of communications available to you:

- **Financial Reporting Insights.** A biweekly resource for recent financial reporting developments and practice issues.
- **RSM Tax Digest.** A monthly newsletter highlighting tax developments of interest to today's organizations.
- **Educational webcasts and seminars.** We offer frequent virtual and in-person presentations on topics of importance to our clients

Timely information

We have resources dedicated to the timely communication of relevant information affecting business in general and our client's industries in particular. A sampling of our publications which are available to clients and friends of the firm include:

- **Muse** – a quarterly newsletter for government and not-for-profit entities to keep them abreast of the latest industry news and information featuring topics such as risk assessment, benchmarking and audit committee effectiveness.
- **National A&A Insights** – an electronic newsletter covering the latest in audit and accounting developments relevant to all industries.

Industry updates and education

This includes both live seminars we host as well as year round access to our industry newsletters and webinars on the latest audit and accounting issues and challenges facing our clients (i.e. cybersecurity). We also present on a variety of technical and industry-specific topics.

As an additional measure of our commitment to you, if selected as your auditors, we will commit to providing your professional staff with 8 hours of continuing professional education annually at no charge, for the life of the contract. On an annual basis we offer one of the largest local Florida government training seminars focusing on key issues facing our government clients. Average attendance is in excess of two hundred people annually. City management and staff will be able to attend this training annually. In addition to receiving pertinent government CPE training, City staff will benefit from networking with staff from other local municipalities. As mentioned earlier, several key team members frequently present on audit and accounting issues and would welcome the opportunity to provide in-house training to your key accounting staff.

Accounting research

RSM offers our clients access to online research through CCH's Accounting Research Manager at our discounted rate. This web-based tool includes the original GASB Statements and Codification of Governmental Accounting and Financial Reporting Standards, GASB Implementation Guide and guidance on many other accounting standards and applications.

APPENDIX

Exhibit A - RFP Proposal Form

Exhibit G - Non-Collusive Affidavit

Exhibit H - Proposer's Certification

Exhibit I - Proposer's Qualifications Statement

Exhibit J - Drug-Free Workplace Program Form

Exhibit K - Reference Sheet

Addendum Number 1 – Acknowledgement Form

Copy of Firm License

Copy of Engagement Staff Licenses

Peer Review Report

Management Letter - Example

Proof of Insurance

EXHIBIT A
RFP PROPOSAL FORM NO. 2016-010

TO: CITY COMMISSION

1. The undersigned Proposer proposes and agrees, if this proposal is accepted, to enter into an Agreement with the City in the form included in the Contract Documents to perform the work as specified or indicated in said Contract Documents entitled:

RFP NO. 2016-010 AUDITING SERVICES FOR THE FINANCE DEPARTMENT

2. Proposer accepts all of the terms and conditions of the RFP Documents, including disposition of the Bid Security if required.

3. The RFP will remain open until a contract is awarded unless otherwise required by law. Proposer will enter into an Agreement with the City of Margate, and will furnish the insurance certificates, required endorsements, Payment Bond and Performance Bond (if required by the Contract Documents).

4. It is the Proposer's responsibility to contact the City at (954) 935-5346 prior to the RFP submission date and time to determine if any addenda have been issued on the project. Proposer has examined copies of all the Contract Documents, including the following addenda (receipt of all of which is acknowledged):

Number 1

Date May 24, 2016

5. Proposer has familiarized itself with the nature and extent of the Contract Documents, work, site, locality where the work is to be performed, the legal requirements (federal, state and local laws, ordinances, rules and regulations), and the conditions affecting cost, progress or performance of the work, and has made such independent investigations as Proposer deems necessary.

6. This Proposal is genuine and not made in the interest of or on behalf of any undisclosed person, firm, or corporation and is not submitted in conformity with any agreement or rules of any group, association, organization, or corporation. Proposer has not directly or indirectly induced or solicited any other Proposer to submit a false or sham Bid. Proposer has not solicited or induced any person, firm or corporation to refrain from bidding and Proposer has not sought by collusion to obtain for itself any advantage over any other Proposer or over the City.

To all the foregoing, and including all Proposal Schedule(s) and Information Required of Proposer contained in this Proposal Form, Proposer further agrees to complete the work required under the Contract Documents within the Contract Time stipulated in the Contract Documents, and to accept in full payment thereof the Contract Price based on the Total Proposal Price(s) submitted and agreed upon.

NAME OF FIRM: RSM US LLP

ADDRESS: 100 N.E 3rd Avenue, Fort Lauderdale, Florida 33301

NAME OF SIGNER Brett Friedman
(Print or Type)

TITLE OF SIGNER Partner

SIGNATURE:  DATE: 5/31/2016

TELEPHONE NO.: (954) 462 6300 FACSIMILE NO. (954) 462 4607

EXHIBIT G
NON-COLLUSIVE AFFIDAVIT
RFP NO. 2016-010

State of Florida)
) ss:
County of Broward)

Brett Friedman being first duly sworn, deposes and says that:

- (1) He/she is the Partner (Owner, Partner, Officer, Representative or Agent) of RSM US LLP the Bidder that has submitted the attached RFP;
- (2) He/she is fully informed respecting the preparation and contents of the attached RFP and of all pertinent circumstances respecting such RFP;
- (3) Such RFP is genuine and is not a collusive or sham RFP;
- (4) Neither the Bidder nor any of its officers, partners, owners, agents, representatives, employees or parties in interest, including this affiant, have in any way colluded, conspired, connived or agreed, directly or indirectly, with any other Bidder, firm, or person to submit a collusive or sham Bid in connection with the work for which the attached Bid has been submitted; or to refrain from bidding in connection with such work; or have in any manner, directly or indirectly, sought by agreement or collusion, or communication, or conference with any Bidder, firm, or person to fix the price or prices in the attached Bid or of any other Bidder, or to fix any overhead, profit, or cost elements of the Bid price or the Bid price of any other Bidder, or to secure through any collusion, conspiracy, connivance, or unlawful agreement any advantage against (Recipient), or any person interested in the proposed work;
- (5) The price or prices quoted in the attached RFP are fair and proper and are not tainted by any collusion, conspiracy, connivance, or unlawful agreement on the part of the Bidder or any other of its agents, representatives, owners, employees or parties in interest, including this affiant.

Signed, sealed and delivered in the presence of:

Shen Lattin
Carri Jerosa

By: Brett Friedman
Brett Friedman
(Printed Name)
Partner
(Title)

EXHIBIT G
NON-COLLUSIVE AFFIDAVIT
RFP NO. 2016-010 – PAGE 2

ACKNOWLEDGMENT

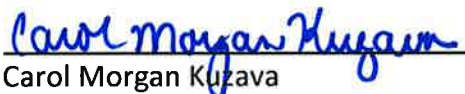
State of Florida)

_____) ss:

County of Broward)

The foregoing instrument was acknowledged before me this 31 day of May, 2016, by Brett Friedman, Partner who is personally known to me or who has produced as identification and who did (did not) take an oath.

WITNESS my hand and official seal.



Carol Morgan Kuzava

NOTARY PUBLIC – State of Florida

My commission expires: July 24, 2019



EXHIBIT H
PROPOSER'S CERTIFICATION
RFP NO. 2016-010

WHEN PROPOSER IS A PARTNERSHIP

IN WITNESS WHEREOF, the Proposer hereto has executed this Proposal Form this 31 day of May, 2016.

RSM US LLP
Printed Name of Partnership

By: not applicable

Signature of Owner
Brett Friedman
Signature of General or Managing Partner

Brett Friedman
Printed Name of partner

100 N.E 3rd Avenue
Business Address

Fort Lauderdale, Florida 33301

City/State/Zip

(954) 462 6300
Business Phone Number

Florida
State of Registration

Shawn Patton
Witness

Car Drose
Witness

State of Florida)

_____) ss:

County of Broward)

The foregoing instrument was acknowledged before me this 31 day of May, 2016, by Brett Friedman (Name), Partner (Title) of RSM US LLP (Name of Company) who is **personally known** to me or who has produced not applicable as identification and who did (**did not**) take an oath.

WITNESS my hand and official seal.
Carol Morgan Kuzava
NOTARY PUBLIC

My commission expires: July 24, 2019



EXHIBIT I
PROPOSER'S QUALIFICATIONS STATEMENT
RFP NO. 2016-010

The undersigned certifies under oath the truth and correctness of all statements and of all answers to questions made hereinafter:

SUBMITTED TO: City of Margate (Purchasing Manager)

ADDRESS: 5790 Margate Boulevard
Margate, Florida 33063

CIRCLE ONE

SUBMITTED BY: Brett Friedman

Corporation

NAME: RSM US LLP

Partnership

ADDRESS: 100 N.E 3rd Avenue, Fort Lauderdale, Florida 33301

Individual

PRINCIPAL OFFICE: Fort Lauderdale, Florida

Other

1. State the true, exact, correct and complete name of the partnership, corporation, trade or fictitious name under which you do business and the address of the place of business.

The correct name of the Proposer is: RSM US LLP

The address of the principal place of business is 100 N.E 3rd Avenue, Fort Lauderdale, Florida 33301

2. If Proposer is a corporation, answer the following: Not Applicable

a. Date of Incorporation: _____

b. State of Incorporation: _____

c. President's name: _____

d. Vice President's name: _____

e. Secretary's name: _____

f. Treasurer's name: _____

g. Name and address of Resident Agent: _____

3. If Proposer is an individual or a partnership, answer the following:

a. Date of organization: 1926

b. Name, address and ownership units of all partners:

Our firm has more than 80 offices nationwide with more than 685 partners. No partner has ownership of more than 5% of the Firm.

c. State whether general or limited partnership: Limited Partnership

4. If Proposer is other than an individual, corporation or partnership, describe the organization and give the name and address of principals:

Not applicable

5. If Proposer is operating under a fictitious name, submit evidence of compliance with the Florida Fictitious Name Statute. Not applicable

6. How many years has your organization been in business under its present business name?
Since October 26, 2015

a. Under what other former names has your organization operated?

Since its inception in 1926, the Firm has operated under the following names (in chronological order): I.B. McGladrey Co.; McGladrey, Hansen and Dunn; McGladrey, Hendrickson & Pullen; McGladrey & Pullen; RSM McGladrey and McGladrey & Pullen; McGladrey LLP and RSM US LLP

7. Indicate registration, license numbers, or certificate numbers for the businesses or professions, which are the subject of this RFP. Please attach certificate of competency and/or state registration.

#ADP004384 State of Florida - Department of Business and Professional Regulation

8. Have you ever failed to complete any work awarded to you? If so, state when, where and why?

RSM has never failed to complete any engagement for which we have been awarded.

9. State the names, telephone numbers, and last known addresses of five owners, individuals, or representatives of owners with the most knowledge of work which you have performed, and to which you refer.

Please see Exhibit K - REFERENCE SHEET that follows for the names and addresses of individuals with the most knowledge of work performed by RSM.

10. List the pertinent experience of the key individuals of your organization (continue on insert sheet, if necessary).

All key engagement team members assigned to the City's engagement have vast amounts of government auditing experience. Each are certified public accountants licensed to practice in the State of Florida. See team member biographies included in Section 4 of this proposal.

11. State the name of the individual who will have personal supervision of the work:

Brett Friedman, Partner

THE PROPOSER ACKNOWLEDGES AND UNDERSTANDS THAT THE INFORMATION CONTAINED IN RESPONSE TO THIS QUALIFICATIONS STATEMENT SHALL BE RELIED UPON BY THE CITY IN AWARDING THE CONTRACT AND SUCH INFORMATION IS WARRANTED BY PROPOSER TO BE TRUE. THE DISCOVERY OF ANY OMISSION OR MISSTATEMENT THAT MATERIALLY AFFECTS THE PROPOSER'S QUALIFICATIONS TO PERFORM UNDER THE CONTRACT SHALL CAUSE THE CITY TO REJECT THE PROPOSAL, AND IF AFTER THE AWARD TO CANCEL AND TERMINATE THE AWARD AND/OR CONTRACT.

Brett Friedman
(Signature)

State of Florida
_____) ss:
County of Broward

The foregoing instrument was acknowledged before me this 31st day of May, 2016, by Brett Friedman, who is personally known to me or who has produced as identification and who did (did not) take an oath.

WITNESS my hand and official seal.

Carol Morgan Kuzava
NOTARY PUBLIC

My commission expires: July 24, 2019



EXHIBIT J
DRUG-FREE WORKPLACE PROGRAM FORM

In accordance with Section 287.087, Florida Statutes, preference shall be given to businesses with Drug-free Workplace Programs. Whenever two or more bids which are equal with respect to price, quality and service are received for the procurement of commodities or contractual service, a bid received from a business that certifies that it has implemented a Drug-free Workplace Program shall be given preference in the award process. In the event that none of the tied vendors have a Drug-free Workplace program in effect, the City reserves the right to make final decisions in the City's best interest. In order to have a Drug-free Workplace Program, a business shall:

1. Publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violations of such prohibition.
2. Inform employees about the dangers of drug abuse in the workplace, the business's policy of maintaining a drug-free workplace, any available drug counseling, rehabilitation, and employee assistance programs, and the penalties that may be imposed upon employees for drug abuse violations.
3. Give each employee engaged in providing the commodities or contractual services that are under bid a copy of the statement specified in subsection (1).
4. In the statement specified in subsection (1), notify employees that, as a condition of working on the commodities or contractual services that are under bid, the employee will abide by the terms of the statement and will notify the employer of any conviction of, or plea of guilty or nolo contendere to, any violation of Chapter 893 or of any controlled substance law of the United States or any State, for a violation occurring in the workplace no later than five days after such conviction.
5. Impose a sanction on, or require the satisfactory participation in a drug abuse assistance or rehabilitation program if such is available in the employee's community by any employee who is convicted.
6. Make a good faith effort to continue to maintain a drug-free workplace through implementation. If

Proposer's company has a Drug-free Workplace Program, so certify below:

AS THE PERSON AUTHORIZED TO SIGN THE STATEMENT, I CERTIFY THAT THIS FIRM COMPLIES FULLY WITH THE ABOVE REQUIREMENTS.

SIGNATURE OF PROPOSER:  DATE: May 31, 2016

**EXHIBIT K
REFERENCE SHEET**

Please list government agencies with whom you have done business during the past five years:

Audit Firm Name RSM US LLP
Address 100 NE Third Avenue, Suite 300
City, State Zip Fort Lauderdale, FL 33301
Phone 954.462.6300
Email brett.friedman@rsmus.com

Agency Name City of Miami, Florida
Address 444 SW 2nd Avenue
City, State, Zip Miami, FL 33130
Phone 305.416.1324
Contact Name, Title Jose Fernandez, Finance Director
Email jmfernandez@miami.gov.com
Date of Contracts 2007 – 2010 and 2014 – 2018

Agency Name City of Coral Gables, Florida
Address 405 Biltmore Way
City, State, Zip Coral Gables, FL 33134
Phone 305.460.5275
Contact Name, Title Diana Gomez, Finance Director
Email dgomez@coralgables.com
Date of Contracts 2004 – 2015

Agency Name City of Coral Springs, Florida
Address 9551 West Sample Road
City, State, Zip Coral Springs, FL 33065
Phone 954.344.1092
Contact Name, Title Kim Moskowitz, Controller
Email kmoskowitz@coralsprings.org
Date of Contracts 2006 – 2015

Agency Name City of Pompano Beach, Florida
Address 100 W. Atlantic Avenue
City, State, Zip Pompano Beach, FL 33060
Phone 954.786.4605
Contact Name, Title Suzette Sibble, Finance Director
Email suzette.sibble@copbfl.com
Date of Contracts 2005 – 2015

Agency Name City of Hollywood
Address 2600 Hollywood Blvd.
City, State, Zip Hollywood, FL 33020
Phone 954.921.2321
Contact Name, Title Ernie Acosta, Division Director, General Accounting
Email eacosta@hollywoodfl.org
Date of Contracts 2009 – 2015

Agency Name	City of Miramar, Florida
Address	2300 Civic Center Place
City, State, Zip	Miramar, FL 33025
Phone	954.602.3051
Contact Name, Title	Barbara Hastings, Assistant Finance Director
Email	bdhastings@miramarfl.gov
Date of Contracts	2011– 2016

ACKNOWLEDGEMENT FORM

ADDENDUM NO. 1


Request for Proposal (RFP) No. 2016-010 Audit Services

I acknowledge receipt of Addendum No. 1 for RFP No. 2016-010 Audit Services. This addendum contains five (5) pages. Please include the original of this form in your RFP submission.

Company Name: RSM US LLP

Address: 100 NE Third Avenue, Suite 300, Ft. Lauderdale, FL 33301

Name of Signer Brett Friedman
(please print)

Signature:  Date: 5/25/16

Telephone: 954.462.6300 Facsimile: 954.462.4607

Please fax your completed form to (954) 935-5258 or e-mail to purchase@margatefl.com.


Spencer Shambray, CPPB
Purchasing Manager
5/24/16



ADDENDUM NO. 1

Request for Proposal (RFP) No. 2016-010 Audit Services

May 24, 2016

TO ALL PROPOSERS:

Please incorporate the following information/clarifications into the specification packet for the above referenced project:

REQUESTS FOR INFORMATION (RFI):

1. **RFI 1:** What were the audit fees paid for FY 2015 and FY 2014?

RFI 1 Response: FY 14: \$90,400, FY 15: \$93,000

2. **RFI 2:** Who will serve on the audit selection committee?

RFI 2 Response:

Anticipated Selection Committee members are:

Finance Director

Assistant Finance Director

Controller

Assistant to the City Manager

City Attorney

Please keep in mind that the RFP document prohibits contact with these individuals during the entire RFP process.

3. **RFI 3:** We could not locate the FY 2015 CAFR on the website and we assume since you participate in FRS, that the FY 2015 CAFR is not yet available?

RFI 3 Response: FY 2015 CAFR is uploaded to the City's website, under Finance Department.

4. **RFI 4:** Does the City expect to be subject to the federal single audit for FY 2016?

RFI 4 Response: At this time the City does not expect to have grant activity levels sufficient to require compliance with the Single Audit Act for the year ended September 30, 2016.

5. **RFI 5:** We noticed that the City in FY 2013 and FY 2014 was only subject to the federal single audit and not a Florida single audit even though the SEFA was labeled as such in FY 2014. For FY 2015, was the City subject to just a federal single audit or both a federal and Florida single audit? We ask the question because on the price proposal pages 26 – 28 it just states "single audit" and we wanted to know if the City was subject to 2 different single audit acts.

RFI 5 Response: The City does not expect to have state or federal grant activity levels sufficient to require a single audit for FY 2016. However, the City may expend sufficient levels in subsequent years for both federal and state.

6. **RFI 6:** Is the FY 2015 CAFR expected to be completed and available prior to May 31, 2016, the submission date of the proposals?

RFI 6 Response: The CAFR is issued and is available on the City's website, under Finance Department.

7. **RFI 7:** A notation was made that a significant amount of information required in "G. Additional RFP Information" is already addressed in previous submission sections of the RFP.

RFI 7 Response: Please include the requested information in just one of the sections and in the second section you can include a note to refer the Selection Committee member back to the section that includes the information that was requested in duplicate.

8. **RFI 8:** What is the reason for considering a change in auditors? Will the current City auditors be able to submit a proposal?

RFI 8 Response: Contract and extensions ended. Current auditors are able to submit a proposal.

9. **RFI 9:** When going through the auditor selection process, what are the most important attributes you are looking for and what was the primary reason for the selection of the current auditors?
- a. What qualifications/characteristics did the City appreciate the most about their "current" auditors or look for in the future auditors?
 - b. For what areas does the City see as an opportunity for improvement for future audit engagements?

RFI 9 Response: Responses to questions 2(a) and (b) would require the City to provide subjective information that is not pertinent to this solicitation. Therefore, no response to those inquiries will be provided.

10. **RFI 10:** How many hours by staffing level (e.g. Partner, Manager, Senior, Staff, etc.) did the current auditors provide to complete the fiscal year 2015 engagement?

RFI 10 Response: The City does not have access to this information.

11. **RFI 11:** When will the final trial balance and audit support schedules be available for auditors for planning purposes?

RFI 11 Response: Anticipated for the middle of December.

12. **RFI 12:** Did the City engage their previous or other independent accountants to perform additional services and, if so, what was the nature of such services and what were the fees paid for those services?

RFI 12 Response: See question 16.

13. **RFI 13:** Approximately how many auditor-generated journal entries are made each year?

RFI 13 Response: There were no auditor generated journal entries for FY 2015 audit.

14. **RFI 14:** Are there any other major transactions/activities planned that may affect the fiscal year ending 2016 or subsequent years' engagements, e.g., planned major capital projects, IT/system implementations, Bond issuances, etc.?

RFI 14 Response: A bond refunding is taking place in May/June of 2016.

15. **RFI 15:** May we obtain a copy of the most recent Independent Auditor's Management Letter in accordance with the Rules of the Auditor General?

RFI 15 Response: The City's FY 2015 CAFR is available on the City's website and includes the Management Letter.

16. **RFI 16:** How much did the City pay for audit fees for the CAFR and Single audits for the past five fiscal years? Were there increases to the originally agreed-upon fees for out of scope work or additional billings? If yes, how much were the increases and what was the reason for the increases?

RFI 16 Response: FY 11: \$82,000, FY 12: \$84,100, FY 13: \$87,200, FY 14: \$90,400, FY 15: \$93,000

In FY 2014, an additional financial statement was issued after the end of the audit for the CRA for an additional fee of \$2,500. This additional financial statement was issued under the scope of the audit fees for fiscal year 2015.

In FY 2013, an audit was conducted for a grant received by the City. The fee for this audit was \$3,500.

17. **RFI 17:** What is the amount budgeted for the fiscal year end 2016 engagement?

RFI 17 Response: The FY 2017 budget is in the process of being prepared.

18. **RFI 18:** What will be the make-up of the selection committee? What members of the City staff are expected to be on the selection committee, if any?

RFI 18 Response: Refer to question 2.

19. **RFI 19:** Did the auditor draft the 2015 financial statements?

RFI 19 Response: The auditor assisted in drafting the FY 2015 financial statements, assistance from the auditors is anticipated for FY 2016.

There are no other changes at this time. The RFP submission date shall stay the same and is due on May 31, 2016 at 3:00 pm.



Spencer Shambray, CPPB
Purchasing Manager
5/24/16

Please sign and return the acknowledgment page of this addendum by email or by fax. The original acknowledgement page is to be included with your bid proposal.

5:17:32 PM 5/26/2016

Licensee Details

Licensee Information

Name: **RSM US LLP (Primary Name)**
Main Address: **331 WEST 3RD STREET STE 200
DAVENPORT Iowa 52801**

License Mailing:

LicenseLocation: **ONE SOUTH WACKER DRIVE
SUITE 800
CHICAGO IL 60606**

County: **OUT OF STATE**

License Information

License Type: **FIRM**
Rank: **CPA Firms**
License Number: **ADP004384**
Status: **Current**
Licensure Date: **03/05/1984**
Expires: **12/31/2017**

Special Qualifications **Qualification Effective**
Partnership **10/01/2013**

Alternate Names

[View Related License Information](#)

[View License Complaint](#)

[1940 North Monroe Street, Tallahassee FL 32399](#) :: Email: [Customer Contact Center](#) :: Customer Contact Center: 850.487.1395

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5:20:51 PM 5/26/2016

Licensee Details

Licensee Information

Name: **FRIEDMAN, BRETT (Primary Name)**
Main Address: **461 CAMERON DRIVE
WESTON Florida 33326**
County: **BROWARD**

License Mailing:

LicenseLocation: **461 CAMERON DRIVE
WESTON FL 33326**
County: **BROWARD**

License Information

License Type: **Certified Public Accountant**
Rank: **CPA**
License Number: **AC0027326**
Status: **Current,Active**
Licensure Date: **11/30/1994**
Expires: **12/31/2017**

Special Qualifications **Qualification Effective**

Alternate Names

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[1940 North Monroe Street, Tallahassee FL 32399](#) :: Email: [Customer Contact Center](#) :: Customer Contact Center: 850.487.1395

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5:21:16 PM 5/26/2016

Licensee Details

Licensee Information

Name: **HARRIS, ANIL (Primary Name)**
 Main Address: **669 NW 105TH DRIVE
 CORAL SPRINGS Florida 33071**
 County: **BROWARD**
 License Mailing: **669 NW 105TH DRIVE
 CORAL SPRINGS FL 33071**
 County: **BROWARD**
 LicenseLocation:

License Information

License Type: **Certified Public Accountant**
 Rank: **CPA**
 License Number: **AC38125**
 Status: **Current,Active**
 Licensure Date: **10/31/2005**
 Expires: **12/31/2016**

Special Qualifications Qualification Effective

Alternate Names

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5:21:36 PM 5/26/2016

Licensee Details

Licensee Information

Name: **CAMOESAS, NATALEE KATHERINE (Primary Name)**
 Main Address: **1720 SW 22 AVE
 FORT LAUDERDALE Florida 33312**
 County: **BROWARD**
 License Mailing:
 LicenseLocation:

License Information

License Type: **Certified Public Accountant**
 Rank: **CPA**
 License Number: **AC43945**
 Status: **Current,Active**
 Licensure Date: **09/28/2011**
 Expires: **12/31/2016**

Special Qualifications Qualification Effective

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[1940 North Monroe Street, Tallahassee FL 32399](#) :: Email: [Customer Contact Center](#) :: Customer Contact Center: 850.487.1395

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5:21:58 PM 5/26/2016

Licensee Details

Licensee Information

Name: **FELDMANN, ROBERT RAYMOND (Primary Name)**
Main Address: **2734 OAKBROOK DRIVE
WESTON Florida 33332**
County: **BROWARD**

License Mailing:

LicenseLocation: **2734 OAKBROOK DR
WESTON FL 33332**
County: **BROWARD**

License Information

License Type: **Certified Public Accountant**
Rank: **CPA**
License Number: **AC0023373**
Status: **Current,Active**
Licensure Date: **09/17/1991**
Expires: **12/31/2017**

Special Qualifications **Qualification Effective**

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System Review Report

To the Partners of
McGladrey LLP
and the National Peer Review Committee
of the American Institute of Certified
Public Accountants Peer Review Board

We have reviewed the system of quality control for the accounting and auditing practice of McGladrey LLP (the “firm”) applicable to non-SEC issuers in effect for the year ended April 30, 2013. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable 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 therewith based on our review. The nature, objectives, scope, limitations of and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*, audits of employee benefit plans, audits performed under FDICIA, and audits of carrying broker-dealers, and examinations of service organizations [Service Organizations Control (SOC) 1 and 2 engagements].

In our opinion, the system of quality control for the accounting and auditing practice of McGladrey LLP applicable to non-SEC issuers in effect for the year ended April 30, 2013, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. McGladrey LLP has received a peer review rating of *pass*.

BKD, LLP

December 4, 2013

**City of Miami, Florida
Management Letter in Accordance
With Chapter 10.550, *Rules of the
Florida Auditor General* and
Independent Accountant's Report
on the Examination of the City's Compliance
with Section 218.415, Florida Statutes**

For the Year Ended September 30, 2015

Contents

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RSM US LLP

**Management Letter in Accordance with
Chapter 10.550 of the Rules of the
Florida Auditor General**

Honorable Mayor and Members of the
City Commission
City of Miami, Florida

Report on the Financial Statements

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Miami, Florida (the City), as of and for the fiscal year ended September 30, 2015, and have issued our report thereon dated March 31, 2016. Our report includes a reference to other auditors who audited the financial statements of the following component units and funds:

Component Units / Funds	Classification
<ul style="list-style-type: none">• Southeast Overtown Park West Redevelopment Agency• Omni Redevelopment Agency• Midtown Community Redevelopment Agency• Virginia Key Beach Park Trust• Liberty City Community Revitalization District Trusts	nonmajor special revenue fund nonmajor special revenue fund nonmajor special revenue fund nonmajor special revenue fund nonmajor special revenue fund
<ul style="list-style-type: none">• Firefighters' and Police Officers' Retirement Trust• General Employees' and Sanitation Employees' Retirement Trust and Other Managed Trusts	aggregate remaining fund information aggregate remaining fund information
<ul style="list-style-type: none">• Miami Sports and Exhibition Authority• Downtown Development Authority• Bayfront Park• Civil Investigative Panel• Coconut Grove Business Improvement District• Wynwood Business Improvement District	discretely presented component unit discretely presented component unit discretely presented component unit discretely presented component unit discretely presented component unit discretely presented component unit

This management letter does not include the results of the other auditors' testing of compliance and other matters that are reported on separately by those auditors. Our report also includes an emphasis of matter paragraph relating to the City's adoption of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions, an Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date, an amendment of GASB Statement No. 68*, effective October 1, 2014.

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Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Other Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and State Project, Report on Internal Control Over Compliance, and Report on the Schedule of Expenditures of Federal Awards and State Financial Assistance Required By OMB Circular A-133 and Chapter 10.550, *Rules of the Florida Auditor General*; and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, Section 601, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address the findings and recommendations made in the preceding annual financial audit report, except as disclosed in Appendix B – *Status of Prior Years' Findings and Recommendations to Improve Financial Management*.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The information is disclosed in Note 1 to the financial statements.

Financial Condition

Section 10.554(1)(i)5.a., Rules of the Auditor General, requires that we report the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Annual Financial Report

Section 10.554(1)(i)5.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the City for the fiscal year ended September 30, 2015, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2015. As of the date of this letter the 2015 annual financial report for the City was not filed.

Other Matters

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. Such recommendations are included in Appendix A – *Current Year Findings and Recommendations to Improve Financial Management*.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Mayor and City Commission, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

RSM US LLP

Miami, Florida
March 31, 2016, except for the
examination report on the City’s compliance with *Section 218.415, Florida Statutes, Local Government Investment Policies* and the
report on compliance for each major federal program and state
project and report on internal control over compliance, for which
the date of each report is April 29, 2016

City of Miami, Florida

Appendix A – Current Year Findings and Recommendations to Improve Financial Management

ML 2015-01 – Use of Restricted Resources

Criteria: The City should establish a funding timeline for capital project related expenditures prior to obtaining debt financing to fund such projects. This will result in the timely utilization of debt financing proceeds for funding projects. Also, it is the City's policy to use restricted resources first as they are needed, followed by the use of unrestricted resources.

Condition: We noted that the City is not expending available capital project bond proceeds in a timely manner. As of September 30, 2015, the City had \$35 million of available bond proceeds restricted for capital projects related to debt issued between fiscal years 2007 through 2010.

Cause: Lack of effective planning, budgeting, and funding of capital projects with available bond proceeds.

Effect: Possible non-compliance with bond indentures, applicable covenants under the City's bond resolution, and tax compliance certificates related to the respective bonds. Additionally, the City is paying interest expense on related bonds and not utilizing the available proceeds to fund City projects.

Recommendation: We recommend that management develop a plan and budget appropriately to allow for the utilization of available bond proceeds to fund allowable City projects. Additionally, the City should establish defined funding timelines for individual capital projects, prior to obtaining debt financing to fund such projects.

Views of Responsible Officials and Planned Corrective Actions: The City concurs with the recommendation. The City continues to aggressively spend-down remaining unspent proceeds. During fiscal year 2015 the City Commission approved the use of unspent bond proceeds to pay for Debt Service, for certain issuances, as disclosed in the Fiscal Year 2015 Comprehensive Annual Financial Report. This was the primary reason that the available bond proceeds restricted for capital projects related to debt decreased significantly from last year. The City has implemented measures to minimize the risk of this recurring. The City will focus on finding an optimal balance between issuing bonds and the timing of the expenditures. The timing of the project related expenditures will be scrutinized and factored into the timing of issuing the debt. Furthermore, the City will issue official letters of intent for bond issues. The official letter of intent will enable the City to incur the expenditures and subsequently reimburse itself from bond proceeds.

City of Miami, Florida

Appendix A – Current Year Findings and Recommendations to Improve Financial Management

ML 2015-02 – Accounts Receivable

Criteria: Allowances for uncollectible receivables should be based upon historical trends and the periodic aging of receivables. Additionally, management should assess the collectability of receivables on a periodic basis and write-off balances not deemed to be collectible at a future date.

Condition: The City's allowance for uncollectible receivables was \$32.5 million as of September 30, 2015. Management should assess the collectability of the allowed receivable balances and write-off amounts not deemed to be collectible at a future date, after all reasonable collection efforts have been exhausted.

Effect: Gross receivable balances reported in the financial statements may not be collectible at a future date.

Cause: Management has been assessing the collectability of the outstanding receivable balances over time however, formal action has not been taken to write-off amounts not deemed to be collectible at a future date.

Recommendation: We recommend that management assess the collectability of outstanding receivables and take formal action to write-off balances for financial statement reporting purposes, which are not deemed to be collectible at a future date.

Views of responsible officials and planned corrective actions: The City concurs with the recommendation. The City consistently works on collecting outstanding receivables by mailing out letters and sending delinquent accounts to a collection agency. The City also assesses these outstanding receivables periodically. As disclosed in the Fiscal Year 2015 Comprehensive Annual Financial Report, \$13.8 million of the \$32.5 million of the allowance for uncollectible receivables is related to Parrot Jungle and Gardens of Watson Island Inc. These payments are to begin in 2019. However, the City will establish formal written policies on how and when to write-off balances not deemed to be collectible at a future date.

City of Miami, Florida

Appendix B – Status of Prior Years’ Findings and Recommendations to Improve Financial Management

Finding No	Finding Title	Current Year Status	Other Explanation
2014-01	Use of Restricted Resources	Repeated	Certain corrective actions taken. See current year recommendation ML 2015-01.
2014-02	Grant Reimbursements	Corrected	
2014-03	Password Configurations	Repeated	
2014-04	User Access Reviews	Repeated	
2014-05	Data Restoration	Repeated	
2014-06	Change Management	Repeated	
2013-02	Accounts Receivable and Due From Other Government Process	Corrected	
2013-04	Tax Exempt Bonds; Post Issuance Compliance	No longer relevant	
2013-05	Information Systems General Control	No longer relevant	

City of Miami, Florida

Appendix B – Status of Prior Years' Findings and Recommendations to Improve Financial Management (Continued)

ML 2014-03 – Password Configurations

Criteria: General Information Technology (IT) controls require that passwords settings be sufficient to prevent the unauthorized access to systems and data.

Condition: We noted that password configuration settings for complexity and length do not meet the minimum requirements as stated in the City's Acceptable Technology Use Policy.

Cause: Password configurations have not been setup to meet minimum requirements as stated in the City's Acceptable Technology Use Policy.

Effect: Risks include unauthorized use of systems and disclosure, modification, damage, and/or loss of proprietary information.

Recommendation: We recommend that management adjust password length and complexity configuration settings to meet the minimum requirements as stated in the City's Acceptable Technology Use Policy.

Prior Year Views of Responsible Officials and Planned Corrective Actions: We agree with the recommendation. We are in the process of requesting an Administrative Policy Manual (APM) entry to authorize the changes needed to address password length and complexity issues outlined in this finding. APM modifications require City Manager approval which we anticipate obtaining.

Current Year Views of Responsible Officials and Planned Corrective Actions: A password complexity policy has been submitted and is in the review process.

City of Miami, Florida

Appendix B – Status of Prior Years’ Findings and Recommendations to Improve Financial Management (Continued)

ML 2014-04 – User Access Reviews

Criteria: User access rights to an organization’s relevant financial reporting applications or data should be reviewed periodically by management.

Condition: We noted periodic user access reviews are not being performed for the network and Oracle to validate that employee system access rights are appropriate based on the employee’s roles and responsibilities.

Cause: The City does not have established policies and procedures in place requiring the review of user access rights on a periodic basis.

Effect: Risks include unauthorized use, disclosure of proprietary information, modification, damage, or loss of data.

Recommendation: We recommend that management establish formal policies and procedures to allow for the proper administration of user access rights on an ongoing basis. Such policies and procedures should address the proper provisioning, modifying, removing, and periodic review of access rights assigned to employees. Management should determine as part of the user access review that configured access rights are appropriate based on the employee’s roles and responsibilities. This review should indicate who performed the review, when the review was performed, and if any access changes are required.

Prior Year Views of Responsible Officials and Planned Corrective Actions: We agree with the recommendation. We are in the process of implementing a report to be reviewed by the Department Directors periodically. The report will show the Oracle access each person has in the department. The Department Director will have the ability to request additional access or the removal of it if required. This report and the mechanism to deploy it will be in place by the end of September 2015.

Current Year Views of Responsible Officials and Planned Corrective Actions: The Oracle enhancement to facilitate the periodic review of Oracle access has been developed. We are working to send the first communication to the stakeholders by the end of June 2016.

The Network group is currently evaluating software which will allow for periodic review and reporting of user rights to each department.

City of Miami, Florida

Appendix B – Status of Prior Years' Findings and Recommendations to Improve Financial Management (Continued)

ML 2014-05 – Data Restoration

Criteria: General information technology (IT) controls require that procedures be in place to allow for the backup and recovery of financial data on an ongoing basis.

Condition: We noted that stored data (backup) is not being tested on a periodic basis for Oracle and the network to validate the effectiveness and content of the data backups being performed.

Cause: There is no formal policy in place requiring the periodic backup and restoration of data.

Effect: Risks include modification, damage, and/or loss of data. The lack of a strategy for cyclical testing of the stored (backup) data exposes the City to operational disruption.

Recommendation: We recommend that management establish formal policies and procedures requiring the periodic storage (backup) and restoration of data. Such policy should include the requirement that stored data be tested at least on an annual basis, to validate the effectiveness and content of the data storage (backup) being performed.

Prior Year Views of Responsible Officials and Planned Corrective Actions: An Oracle Disaster Recovery Test is done every year prior to hurricane season. The test includes stakeholders mostly from the Purchasing Department, Human Resources and from the Finance Department. During the second quarter of 2014, the City relocated its disaster recovery site. This year we will conduct an Oracle Disaster Recovery Test before June as it was done prior to last year.

Current Year Views of Responsible Officials and Planned Corrective Actions: The Network group is in the process of developing an internal procedure to randomly test restoration of departmental data on a semiannual basis.

Appendix B – Status of Prior Years’ Findings and Recommendations to Improve Financial Management (Continued)

ML 2014-06 – Change Management

Criteria: General Information Technology (IT) controls should provide reasonable assurance that program changes, application configuration changes, system changes and maintenance (including changes to system software and data structures), production processing changes (including new jobs, schedule changes), and emergency changes are standardized, documented, approved, and subject to formal change management procedures.

Condition: We noted that network changes are not being formally documented on a consistent basis as required by the City’s established policies and procedures.

Cause: Change management documentation requirements are not consistently being performed by City personnel when changes are being made to the City’s IT systems.

Effect: Unauthorized changes may be moved to the production environment without management’s knowledge.

Recommendation: We recommend that management adhere to its change management program and policies which requires proper documentation for all changes to the City’s IT systems.

Prior Year Views of Responsible Officials and Planned Corrective Actions: Management agrees with the recommendation. Network changes and patches will go through the current Change Advisory Board (CAB) process and will be documented accordingly. Target date: Immediate.

Current Year Views of Responsible Officials and Planned Corrective Actions: There is a Change Advisory Board (CAB) that meets on a weekly basis to approve planned hardware and software major changes to the Network and Enterprise applications. The IT department is in the process of implementing a tool that will allow us to document incidents occurring from unplanned changes.



RSM US LLP

Independent Accountant's Report

The Honorable Mayor, Members of the
City Commission, and City Manager
City of Miami, Florida

We have examined the City of Miami, Florida's (the City) compliance with *Section 218.415, Florida Statutes, Local Government Investment Policies* during the year ended September 30, 2015. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

This report is intended solely for the information and use of the Florida Auditor General, the Honorable Mayor, Members of the City Commission, the City Manager, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

RSM US LLP

Miami, Florida
April 29, 2016

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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
11/24/2015

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IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Marsh USA Inc. 2405 Grand Boulevard, #900 Kansas City, MO 64108 Attn: KansasCity CertRequest@marsh.com Fax: 212-948-0015 Kuzava	CONTACT NAME: _____		FAX (A/C, No): _____
	PHONE (A/C, No., Ext): _____		E-MAIL ADDRESS: _____
INSURER(S) AFFORDING COVERAGE			NAIC #
INSURER A: Sentry Insurance A Mutual Company			24988
INSURER B: Sentry Casualty Company			28480
INSURER C: N/A			N/A
INSURER D: _____			
INSURER E: _____			
INSURER F: _____			

COVERAGES **CERTIFICATE NUMBER:** CHI-006057595-11 **REVISION NUMBER:** 8

THIS IS TO CERTIFY THAT 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. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER			90-18524-04	11/30/2015	11/30/2016	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMPIOP AGG \$ 2,000,000 \$
A	AUTOMOBILE LIABILITY <input checked="" 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			90-18524-05 (AOS) 90-18524-06 (MA)	11/30/2015 11/30/2015	11/30/2016 11/30/2016	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY <input type="checkbox"/> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		Y/N	90-18524-01 (AOS) 90-18524-02 (WI)	11/30/2015 11/30/2015	11/30/2016 11/30/2016	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER <p style="text-align: center; font-size: 24px; font-weight: bold;">SAMPLE INSURANCE CERTIFICATE</p>	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE of Marsh USA Inc. Keith A. Stiles <i>Keith A. Stiles</i>

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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

11/02/15

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IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Aon Risk Services Northeast, Inc. 199 Water Street, 9th Floor New York, N.Y. 10038	CONTACT NAME:		
	PHONE (A/C No., Ext.):	FAX (A/C, No.):	
	E-MAIL ADDRESS:		
	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A: North American Capacity Insurance Company		
	INSURER B:		
INSURED RSM US LLP 331 West Third Street, Suite 200 Davenport, IA 52801	INSURER C:		
	INSURER D:		
	INSURER E:		
	INSURER F:		

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT 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. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:						EACH OCCURRENCE	\$
							DAMAGE TO RENTED PREMISES (Ea occurrence)	\$
							MED EXP (Any one person)	\$
							PERSONAL & ADV INJURY	\$
							GENERAL AGGREGATE	\$
							PRODUCTS - COMP/OP AGG	\$
								\$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> HIRED AUTOS						COMBINED SINGLE LIMIT (Ea accident)	\$
							BODILY INJURY (Per person)	\$
							BODILY INJURY (Per accident)	\$
							PROPERTY DAMAGE (Per accident)	\$
								\$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$						EACH OCCURRENCE	\$
							AGGREGATE	\$
								\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory In NH) If yes, describe under DESCRIPTION OF OPERATIONS below <input type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A						PER STATUTE	OTH-ER
							E L EACH ACCIDENT	\$
							E L DISEASE - EA EMPLOYEE	\$
							E L DISEASE - POLICY LIMIT	\$
A	Miscellaneous Professional Liability Insurance			ZZL0000117-02	04-Jan-15	01-Jul-16	Not less than US\$1,000,000 any one claim and in the aggregate.	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER

CANCELLATION

SAMPLE INSURANCE CERTIFICATE

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
Aon Risk Services Northeast, Inc.



www.rsmus.com

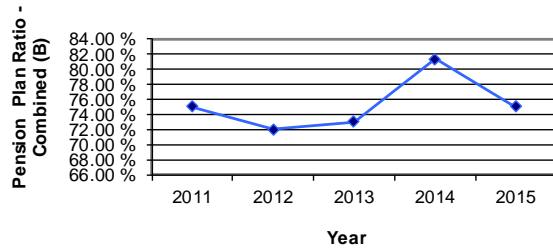
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BENCHMARKING DATA

Pension Plans Funded Ratio



Unfavorable = ▼

Favorable = ▲

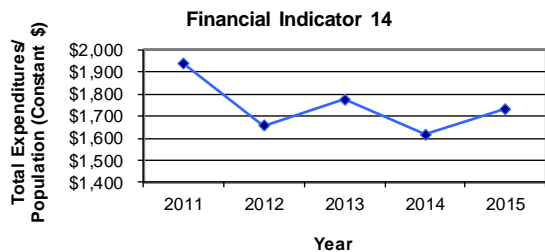
Trend Information		Benchmark Comparison Information	
Y1 to Y5 Diff	0%	Y5 Entity	75.00%
Y2 to Y5 Diff	4%	Y5 Bench	73.47%
Y3 to Y5 Diff	3%	Y5 Entity to Bench Diff	2%

Trend:	Inconclusive	Benchmark Comparison:	Favorable
Overall Rating:	Inconclusive		

Warning Trend: A declining trend suggests that a local government may not be adequately funding their pension plans, which may indicate an increasing burden on the tax base.

Pension plan ratios indicate the pension plans' funded level as represented by the net position as a percentage of the total pension liability. Ratios presented for fiscal years 2011 thru 2013 are based on the actuarial valuation basis. Ratios presented for fiscal years 2014 and 2015 are based on the GASB 67/GASB 68 valuation method.

Total Expenditures



Unfavorable = ▲

Favorable = ▼

Trend Information		Benchmark Comparison Information	
Y1 to Y5 Diff	-10%	Y5 Entity	\$ 1,734
Y2 to Y5 Diff	5%	Y5 Bench	\$ 1,210
Y3 to Y5 Diff	-2%	Y5 Entity to Bench Diff	43%

Trend:	Inconclusive	Benchmark Comparison:	Unfavorable
Overall Rating:	Unfavorable		

Warning Trend: Increasing results may indicate that the cost of providing services is outstripping the local government's ability to pay (i.e., the local government may be unable to maintain services at current levels).

This financial indicator combines the data from all of the City's governmental funds which includes the City's General Fund.

The trend information is unfavorable because per capita expenditures is in an upward trend. Also, the City's per capita expenditure is \$524 more when compared to entities identified as comparable to the City.

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We are committed to providing the City of Margate with a thorough and objective audit from experienced professionals who understand the public sector.

RSM Differentiators:

- ◆ **Commitment to the Public Sector**
 - The largest industry we serve in Florida
 - Your core service team devotes 100 percent of their time serving governmental organizations similar to the City
- ◆ **Your team**
 - Extensive experience with municipal clients
 - Ability to facilitate a smooth transition and efficient audit
 - A team of highly experienced professionals all of which are located in South Florida
- ◆ **Depth of Resources**
 - National firm resources with local firm service philosophy
 - Depth of resources and technical expertise unmatched by competitors
 - Multidisciplinary engagement team – auditors, tax specialists, IT / cyber security experts, and actuaries
- ◆ **Beyond the Numbers**
 - Audit is geared toward addressing your most significant risks
 - Provide constructive improvement ideas
 - Provide benchmarking data and analysis
 - Provide 8 hours of continuing professional education to your staff, annually at no charge for life of contract



Our Promise to You
It's all about understanding you
—
Your business
Your aspirations
Your challenges
And bringing fresh insights and
tailored expertise to help you
succeed.

Experience providing value added services:

- ◆ Procurement spend optimization
- ◆ Construction cost reviews
- ◆ Risk assessments
- ◆ Operational reviews
- ◆ Internal control reviews
- ◆ Accounting policies and procedures manuals
- ◆ Accounting assistance
- ◆ Information systems consulting
Needs assessment, cyber security risk assessments, system selection, contract review and negotiation assistance, disaster recovery, network cabling/design and implementation support, etc.

Collaborative and Transparent Audit Process

- ◆ We have a comprehensive and interactive planning process
- ◆ We utilize a secure web-based file transfer site and dashboard that continuously communicates the status of the audit
- ◆ No Surprises. We get all of our reviews done at your offices
- ◆ We share best practices that add value to your organization

Experience with Similar Neighboring Cities

- City of Coral Springs
- City of Miramar
- City of Pompano Beach
- City of Hollywood
- City of Coconut Creek
- City of Deerfield Beach
- City of Miami
- City of Coral Gables

City of Margate, Florida



Bob Feldmann
Florida Public Sector
Leader
30 Years Experience



Brett Friedman
Audit Partner
20 years experience



Donnovan Maginley
Concurring Review Partner
23 years experience



Lisa Chanzit
Actuarial Specialist
36 years experience



Anil Harris
Senior Manager
12 years experience



Alexandra Lorrie
RAS Technology Specialist
13 years experience



Natalee Camoesas
Senior In-Charge
7 years experience

Engagement Staff

