



Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

Proposal to Provide Financial Auditing Services

CITY OF MARGATE
RFP NO. 2016-010

Proposal Due: April 21, 2016, 3:00PM

Submitted to:

Purchasing Division
City of Margate City Hall
5790 Margate Boulevard
Margate, Florida 33063

Submitted by:

Antonio J. Grau, Partner
Grau & Associates
2700 North Military Trail, Suite 350
Boca Raton, Florida 33431
Tel (561) 994-9299 / (800) 229-5728
Fax (561) 994-5823
tony@graucpa.com / www.graucpa.com

ORIGINAL

TAB A. EXHIBIT F

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

PROPOSER NAME: Grau & Associates

ADDRESS: 2700 N Military Trail, Suite 350, Boca Raton, Florida 33431

TELEPHONE: (561) 994-9299 **FAX: (561) 994-5823**

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

TAX ID NUMBER (EIN/SSN): 20-2067322

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, Grau & Associates, 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 _____ **Variance** _____

Section _____ **Variance** _____

Section _____ **Variance** _____

Attach additional sheets as necessary.

By: 
Manual Signature of Agent

May 27, 2018
Date

Antonio J. Grau
Typed/Printed Name of Agent

President
Title of Agent

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

TAB B. INTRODUCTION



Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

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

May 31, 2016

Purchasing Division
City of Margate City Hall
5790 Margate Boulevard
Margate, Florida 33063

Re: Request for Proposal for Professional Auditing Services for a five year period beginning with the fiscal year ending September 30, 2016, with an additional 2-year optional renewal

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

Our practice is unique as 98% of work is either audit or work related to government and non-profit entities. **Since our focus is on government, we fully understand the professional services and work products required to meet your RFP requirements.** Our team provided services in excess of 19,000 hours for our public sector clients last year, and we currently audit over 300 governmental and non-profit entities.

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

- **Location**

Your audit will be performed out of our headquarters located at 2700 N Military Trail, Suite 350, Boca Raton, Florida – **less than thirty (30) minutes from the City.**

- **Experience**

The personnel we assign to your audit are the most experienced auditors in the profession. Unlike most other firms, **our auditors work exclusively under government auditing standards**, which mean they are more knowledgeable and efficient on audits like yours. Our engagement partners have decades of experience and take a hands-on approach to assignments, which ensures a smoother process for you.

- **Service**

Our clients rave about the level of personalized service they receive from our staff. Because of our extensive experience, **we make the transition to a new firm seamless.** We constantly work with you to resolve any issues that arise so there are no surprises when the final report delivers.

- **Responsiveness**

We answer emails and telephone calls usually right away, but always the same day. **We even provide our cell phone numbers for your access.** Being non-traditional auditors, we remain in touch for the entire year, suggesting ways you can improve the City's performance, procedures and controls. We will update, advise and educate you on new or revised reporting requirements so you are sure to always remain compliant.

- **Standards**

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

- **Reputation**

Our reputation in our field is impeccable. **We have never been involved in any litigation, proceeding or received any disciplinary action. Additionally, we have never been charged with, or convicted of, a public entity crime of any sort.** We are financially stable and have never been involved in any bankruptcy proceedings.

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

We would be happy to answer any questions or provide additional information as needed. Please do not hesitate to call or email either of our Partners, Antonio J. Grau, CPA (tgrau@graucpa.com) or Racquel McIntosh, CPA (rmcintosh@graucpa.com) at 561.994.9299. We thank you for considering our firm's qualifications and experience, and look forward to serving you.

Very truly yours,

Grau & Associates



Antonio J. Grau

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TAB D. FIRM/PROPOSER INFORMATION

Background & Experience

Grau & Associates is **located locally, less than 30 minutes from the City**, at 2700 N Military Trail, Suite 350, Boca Raton, Florida 33431. We are a properly registered/licensed State of Florida professional corporation since January 3, 2005, providing comprehensive financial and compliance auditing, attestation, accounting, and other management consulting services. The Partners, Consultant and Managers of Grau are members of the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants. All assigned supervisory professional staff are properly registered/licensed to practice in the State of Florida. Our Federal Tax ID is 20-2067322.

As the successor firm of Grau & Company, we have **provided governmental and non-profit auditing services in Florida for over 30 years** with an impeccable reputation never having been involved in any litigation, proceeding or disciplinary action nor ever been charged with or convicted of a public entity crime.

The practice provides audit services primarily to municipalities and independent special districts. Please refer to Pages 36- 38 for a listing of clients served.

Your engagement will be done out of our Boca headquarters which has a total of 17 employees, 15 professional staff, including 2 *Partners* and 13 *professionals* who *specialize in providing auditing, accounting, consulting, and monitoring services to the Public Sector and 2 administrative professionals*. The number of professional staff by employee classification is as follows:

Team Member	Total Professional Staff	Total CPAs	Total Government Audit Staff
Partners	2	2	2
Managers	2	2	2
Advisory Consultant	1	1	1
Supervisor / Seniors	4	4	4
Staff Accountants	6	1	6
Total	15	10	15

Compliance with Government Education Requirements

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

Professional Staff Training

Sponsored Training

Grau has developed in-house CPE sessions specifically tailored to our client needs and our audit team participates and instructs these courses free of charge to our clients, typically in October in Boca Raton. This program allows for our clients to participate and earn CPE on a voluntary basis during the year. This is another way we demonstrate our commitment to personalized high quality audit service.

Conferences & Webinars

Grau partners, managers, and staff attend various governmental conferences and seminars throughout the year. In addition, the audit quality control partner participates in governmental audit quality control (GAQC) webinars held throughout the year.

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

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

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

Memberships

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

- FICPA Committee on State and Local Government
- Florida Government Finance Officers Association (FGOA)
- Special Review Committee of the Government Finance Officers Association
- FICPA Non-Profit Conference Committee
- Florida Association of Special Districts (FASD)
- FICPA Young CPAs Committee
-

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

Understanding of Work

Grau has a full understanding of the scope of the work to be performed and will provide the required reports in the timeframe required in this RFP.

Federal Reviews

During the last three (3) years, all state and federal reviews of the firm's reports and working papers have been accepted without change or revision to issued reports; we are not aware of anything pending.

Peer Review

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

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



System Review Report

To the Owners of Grau & Associates
And the Peer Review Committee of the Florida Institute of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Grau & Associates (the firm) in effect for the year ended June 30, 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 the *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Grau & Associates in effect for the year ended June 30, 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*. Grau & Associates has received a peer review rating of *pass*.

Gregory, Sharer & Stuart, P.A.

Gregory, Sharer & Stuart, P.A.
October 25, 2013

Richard H. Caton, CPA
M. Timothy Farrell, CPA
Thomas H. Gregory, CPA
Daniel J. Hevia, CPA
Robert L. Ingham, CPA
Troy Kimbrough, CPA
James G. Newman, CPA
Paula D. Popovich, CPA
Larry W. Sharer, CPA
Byron C. Smith, CPA
Charles L. Stuart, CPA
Richard G. Ulrich, CPA
Carlos R. Vila, CPA



FICPA Peer Review Program
Administered in Florida by the
Florida Institute of CPAs



AICPA Peer Review Program
Administered in Florida by the
Florida Institute of CPAs

January 21, 2014

Antonio J. Grau Jr., CPA
Grau & Associates
2700 N. Military Trl., Ste. 350
Boca Raton, FL 33431

Dear Mr. Grau:

It is my pleasure to notify you that on January 16, 2014 the Florida Peer Review Committee accepted the report on the most recent system peer review of your firm. The due date for your next review is December 31, 2016. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of *pass*. The Committee asked me to convey its congratulations to the firm.

Sincerely,

Paul N. Brown

Paul N. Brown, CPA, CGMA
Director of Technical Services

cc: Daniel J. Hevia, CPA

Firm Number: 4390114

Review Number: 352812



100 Second Avenue South, Suite 600
St. Petersburg, Florida 33701-4336
(727) 821-6161 | Fax (727) 822-4573
www.gscpa.com

325 W. College Ave. P.O. Box 5437 Tallahassee, FL 32314 (850) 224-2727 (800) 342-3197 Fax: (850) 212-8190 www.ficpa.org



PEER REVIEW PROGRAM

is proud to present this
Certificate of Recognition
to

GRAU & ASSOCIATES

For having a system of quality control for its accounting and auditing practice in effect for the year ended June 30, 2013 which has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA, and which was complied with during the year then ended to provide the firm with reasonable assurance of conforming with professional standards.

Rick Reeder
Rick Reeder, Chair
AICPA Peer Review Board
2013

Disciplinary Actions / Litigation

During the last three (3) years, Grau & Associates has not been involved in any litigation, proceeding or disciplinary action, nor are any pending, from any state or federal regulatory body or professional organizations nor have we been engaged in any criminal activity or convicted of any crimes.

Engagement Withdrawals

Grau & Associates has not withdrawn from any engagement prior to the agreed contract expiration date.

Financial Information

Grau & Associates is a privately held company. We are financially stable, have never claimed bankruptcy and hold a credit line of \$350,000.

Should you require any additional information, please free to contact our representative at PNC Bank, Elena Contreras, 399 Forest Hill Blvd., West Palm Beach, Florida 3345, (561) 623-431 x 24331.

Conflicts of Interest

In relation to the City of Margate, Grau & Associates nor any member of our firm's ownership, management, or staff currently has a vested interest which might be considered a conflict of interest as defined by generally accepted auditing standards. In addition, we have no potential conflicts of interest due to any other client's contract of property interests.

Anticipated Potential Audit Problems

We are aware of the uniqueness of the City and will address issues in their early stages. We do not anticipate any potential audit problems. We want to help you solve problems before they become critical and this is why we will be involved throughout the entire year, at no extra cost, providing assistance in current and new issues that arise.

References/Governmental Experience

We have included five references of government engagements that require compliance with laws and regulations, follow fund accounting, and have financing requirements, which we believe are similar to the City. Please refer TAB G. Additional RFP Information, Exhibit K, Page 34 for a list of required references and Pages 36-38, for a partial list of additional clients served.

Partner, Supervisory and Staff Qualifications and Experience

Your Engagement Team

You will have a partner, manager and our consultant available for any technical assistance. Additional staff with requisite qualifications and experience to conduct the requested financial and compliance audit are available to assist with the engagement should the need arise. Copies of your engagement team's licenses can be found on Page 39, TAB G. Additional RFP Information

Name	Years performing government audits	CPE within last 2 years	Professional Memberships
ANTONIO J. GRAU, CPA/CFP/PFS/ABV (Partner)	Over 30	Government Accounting, Auditing: 63 hours Accounting, Auditing and Other: 62 hours	AICPA FICPA FGFOA GFOA FASD
ANTONIO S. GRAU, CPA (Concurring Review Consultant)	Over 40	Government Accounting and Auditing: 32 hours Accounting, Auditing and Other: 62 hours	AICPA FICPA ICPA
RACQUEL MCINTOSH, CPA (Partner & Point of Contact) Function as Manager	Over 10	Government Accounting and Auditing hours:61 Accounting, Auditing and Other: 44 hours	AICPA FICPA FGFOA FASD
DAVID CAPLIVSKI, CPA (Manager & Key Member) Function as Senior	Over 5	Government Accounting and Auditing hours:32 Accounting, Auditing and Other: 50 hours	AICPA FICPA

Continuity

We would like to emphasize our commitment to maintaining professional staff continuity in servicing this engagement. Many of our clients rely on having the same resources available to them because it reflects a commitment to their organization and a deeper understanding of what their organization is trying to achieve. Our staff builds a relationship based upon integrity, trust, and mutual respect, which is a primary reason that we maintain long-term professional relationships.

Continuity is important from both a client service as well as an engagement efficiency perspective. **As our staff gains familiarity with a client, they are able to complete the engagement more efficiently and are able to identify recommendations for improvement within our client's operations.**

As with any accounting firm, it may become necessary to replace a member of the engagement team. When this occurs they are replaced with someone of at least comparable skills and experience. While we strive to maintain continuity, the turnover that is inherent in today's environment provides for staff rotation and the additional benefit of a fresh approach. We have been very successful over the years in appropriately staffing our jobs and this has resulted in high client retention rates and tremendous growth for the firm.

Should it become necessary to replace any staff assigned to the City's engagement, we affirm that the replacements will have substantially the same or better qualifications or experience and understand that the City retains the right to approve or reject replacements.

Position Descriptions

Engagement Partner

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

The Engagement Partner will also be involved in:

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



Concurring Review and Advisory Consultant

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

Audit Manager and Senior

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

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

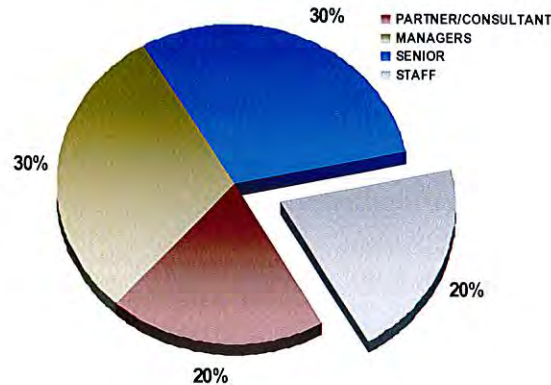
Information Technology Consultants and Personnel

We have partnered with SLPowers, a firm recognized as one of the countries most advanced IT service providers, to work side by side with our audit team. We believe partnering with an industry expert provides additional assurance to the City that its IT systems are being checked and evaluated accurately. SLPowers is at the cutting edge of the rapidly evolving environment of network and database security, internet security and vulnerability testing. In today's information age, an in-house IT auditor may not have the most up-to-date experience and training for handling sensitive information and financial database security. Please refer to Page 63 for more information on SL Powers.

Composition of Engagement Team

In contrast to the majority of both national and local firms, **Grau's proposed engagement team is comprised of an exceptionally large percentage of high-level audit professionals.** This gives us the ability to **quickly recognize problems** and be **more efficient** as a result of our Team's **DECADES** of governmental auditing experience.

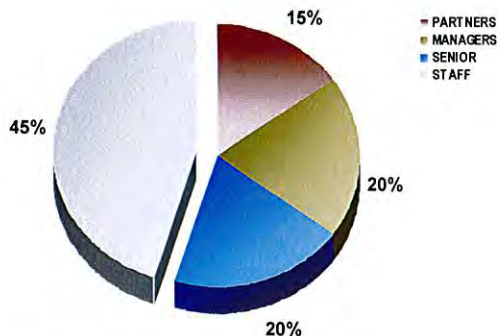
Grau & Associates



***Eighty percent of engagement will be performed by
Partners, Management and Senior Staff***

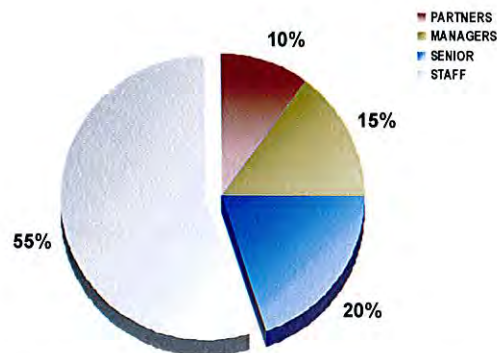
VS.

Typical Local CPA Firm:



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

Typical National CPA Firm



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

Resumes

The resumes of your engagement team can be found on the following pages.

Antonio J. Grau, CPA/CFP/PFS/ABV, Partner

e-mail: tgrau@graucpa.com / 561-939-6672



Education

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

Professional History

CPA, in Florida since February 28, 1985, Certificate No. 15330

Grau & Associates	Partner	2005-Present
Grau & Company	Partner	1995-2005
Grau & Company	Audit Manager	1987-1995
International Firm	Auditor	1985-1986
Grau & Company	Staff Accountant	1983-1984

Clients Served (partial list)

(>300) Various Special Districts	Key Largo Water Treatment District
Aid to Victims of Domestic Abuse, Inc.	Mae Volen Senior Center, Inc.
Brevard Workforce Board	North Lauderdale Academy High School
Broward Education Foundation	Orlando Housing Authority
City of Cooper City	Palm Beach County Workforce Development Board
City of Lauderdale Lakes	Peninsula Housing Programs
City of Lauderhill	School Board of Broward County
City of Lauderhill General Pension	School Board of Miami-Dade County
City of North Lauderdale	School Board of Palm Beach County
City of Oakland Park	South Florida Water Management District
City of Weston	Southwest Florida Workforce Development Board
Delray Beach Housing Authority	Town of Davie
East Central Regional Wastewater Treatment Fac.	Town of Highland Beach
Florida Community College at Jacksonville	Town of Hypoluxo
Florida Department of Management Services	Village of Golf
Greater Boca Raton Park & Beach District	Village of Wellington
Hispanic Human Resource Council	West Palm Beach Housing Authority

Professional Education (over the last two years)

<u>Course</u>	<u>Hours</u>
Government Accounting and Auditing	63
Accounting, Auditing and Other	62
Total Hours	<u>125</u>

Other Qualifications

As a member of the Government Finance Officers Association Special Review Committee, Mr. Grau participated in the review process for awarding the GFOA Certificate of Achievement in Financial Reporting. Mr. Grau was the review team leader for the Quality Review of the Office of Management Audits of School Board of Miami-Dade County.

Professional Associations/Memberships

American Institute of Certified Public Accountants	Florida Government Finance Officers Association
Florida Institute of Certified Public Accountants	Government Finance Officers Association Member
City of Boca Raton Financial Advisory Board Member	

Antonio S. Grau, CPA, Concurring Review Consultant

e-mail: asgrau@graucpa.com



Education

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

Professional History

CPA in Florida since April 29, 1970, Certificate No. 2623

Grau & Company	Partner	1977-2004
Public Company	Financial Officer	1972-1976
International Firm	Auditor	1966-1972

Clients Served (partial list)

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

Atlanta Housing Authority	Hispanic Human Resource Council
Broward County Housing Authority	Mae Volen Senior Center, Inc.
City of Dania Beach	Miami Beach Housing Authority
City of Lauderdale Lakes	North Lauderdale Academy High School
City of Lauderhill	Palm Beach County Workforce Development Board
City of Lauderhill General Pension	School Board of Miami-Dade County
City of Miami Springs	South Florida Water Management District
City of Oakland Park	Town of Hypoluxo
City of Sweetwater Pension	Town of Lauderdale-By-The-Sea
Florida Community College at Jacksonville	Town of Miami Lakes
Highland County School District	Town of Southwest Ranches
Downtown Development Authority of the City of	Village of Biscayne Park
Miami / Community Development Block Grants	West Palm Beach Housing Authority

Professional Education (over the last two years)

<u>Course</u>	<u>Hours</u>
Government Accounting and Auditing	32
Accounting, Auditing and Other	62
Total Hours	94

Other Qualifications

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

Professional Associations/Memberships

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

Racquel C. McIntosh, CPA, Partner

e-mail: rmcintosh@graucpa.com / 561-939-6669



Education

Master of Accounting, MACC; Florida Atlantic University, December 2004;
Bachelor of Arts – Majors: Accounting and Finance; Florida Atlantic University, May 2003

Professional History

Grau & Associates	Partner	2014-Present
Grau & Associates	Manager	2009-2014
Grau & Associates	Senior Auditor	2007-2009
Grau & Associates	Staff Auditor	2006-2007
Grau & Company	Staff Auditor	2005-2006

Clients Served (partial list)

(>300) Various Special Districts	Pinetree Water Control District (Broward/Palm Beach)
Boca Raton Airport Authority	Ranger Drainage District
Brevard Workforce Development Board	San Carlos Park Fire Protection & Rescue District
Broward Education Foundation	South Central Reg. Wastewater Treatment & Disposal Bd.
Coquina Water Control District	South Trail Fire Protection & Rescue
City of Cooper City	Southwest Florida Workforce Development Board
City of Pompano Beach (Joint Venture)	Sun N Lake of Sebring Improvement District
City of West Park	Town of Highland Beach
City of Weston	Town of Hypoluxo
East Central Reg. Wastewater Treatment Fac.	Town of Lantana
East Naples Fire Control & Rescue District	Town of Hillsboro Beach
Greater Boca Raton Beach & Park District	Village of Golf
Key Largo Wastewater Treatment District	Village of Wellington

Professional Education (over the last two years)

<u>Course</u>	<u>Hours</u>
Government Accounting and Auditing	61
Accounting, Auditing and Other	41
Total Hours	<u>102</u>

Professional Associations/ Memberships

American Institute of Certified Public Accountants	FICPA State & Local Government Committee
Florida Institute of Certified Public Accountants	FICPA Atlantic Chapter Board Member
FICPA Young CPAs Committee	FGFOA Palm Beach Chapter

David Caplivski, CPA, Manager

e-mail: dcaplivski@graucpa.com / 561-939-6676



Education

Master of Accounting; Florida Atlantic University, December 2009

Bachelor of Science – Major: Environmental Studies; Nova Southeastern University, May 2002

Professional History

Grau & Associates	Manager	2014-Present
Grau & Associates	Senior Auditor	2013-2014
Grau & Associates	Staff Auditor	2010-2013

Clients Served (partial list)

(>300) Various Special Districts	Loxahatchee Groves Water Control District
Aid to Victims of Domestic Abuse, Inc.	Mae Volen Senior Center
Boca Raton Airport Authority	Pinetree Water Control District
Brevard Workforce Development Board	San Carlos Park Fire Protection & Rescue District
Broward Education Foundation	South Indian River Water Control District
Coquina Water Control District	Southwest Florida Workforce Development Board
Central County Water Control District	South Trail Fire Protection & Rescue
City of Miami (program specific audits)	Town of Haverhill
City of West Park	Town of Hypoluxo
East Central Regional Wastewater Treatment Fac.	Town of Hillsboro Beach
East Naples Collier County Admin. Fire District	Town of Lantana
East Naples Fire Control & Rescue District	Town of Lauderdale By - The - Sea
Greater Boca Raton Beach & Park District	Village of Wellington
Hispanic Human Resource Council	Village of Golf

Professional Education (over the last two years)

Course	Hours
Government Accounting and Auditing	32
Accounting, Auditing and Other	50
Total Hours	<u>82</u>

Professional Associations/Memberships

Member, American Institute of Certified Public Accountants

Member, Florida Institute of Certified Public Accountants

TAB E. PROPOSAL APPROACH

Firm Methodology and Philosophy

We recognize the City as an important entity and its responsibilities create a challenging and dynamic organization. We are confident our firm will meet and exceed your needs and expectations and we welcome this opportunity. We strive to make our audit approach a positive one, one that emphasizes open and honest lines of communication. We possess the experience and knowledge, and have an excellent audit team ready to ensure a cost effective and successful independent audit. We will assist the City in making informed decisions, strengthening its internal controls and accurately reporting financial information.

Our Firm Pledges

- An assigned audit team with year round experience in governmental audits
- Personal partner involvement and monitoring throughout the entire engagement
- Flexibility to meet YOUR scheduling requirements
- Continual communication and quick response time
- Minimal disruption to your staff and operations
- Team members will not be changed without express permission of the City
- City will be informed immediately of any potential adjustments and issues as they arise
- Recommendations will focus on the effectiveness and efficiency of operations
- To not recommend change for the sake of change or any change that is not practical

Grau believes that the key to any successful audit lies in the capabilities of the audit team. Our team of professionals is formidable in terms of their experience and commitment.

Our **concentration in the governmental and non-profit sectors** allows us to bring the most qualified auditors to the job which makes us **unique in comparison to other proposers**. Our staff performs governmental engagements year round. When not working on your audit, your team is refining their audit approach for next year's audit.

Our philosophy is a simple one: to invest in the best trained personnel and technology to achieve the highest quality audits for our clients.

We follow a **risk-based audit approach** and the Auditing Standards of the AICPA, Generally Accepted Government Auditing Standards, issued by the Comptroller General of the United States, the Rules of the Auditor General of the State of Florida, as well as applicable Federal, State and Local regulations. Grau has a full understanding of the scope of the work to be performed and will provide the required reports in the timeframe required in this RFP.

We encourage you to ask other proposers to share whether their audit staff as listed, work exclusively on governmental audit engagements.

We will be available to meet with key management immediately upon award of the contract.

Proposed Segmentation of the Engagement

The phases for our audit will be broken down as follows:



Although most firms use standardized audit programs and checklists that are ready for purchase, Grau's audit team will design programs and checklists that are specifically tailored to you.

Phase 1: Planning Phase

Grau believes a well-planned audit is crucial to the success of this engagement, and as such we put significant efforts in the planning stages of the audit, especially in the initial year, to ensure an effective and efficient audit. Further, as appropriate, our audit will be planned to provide for a low level of audit risk.

There are 3 steps in our planning phase.

Step 1: *Meet with the City's key management:* Grau will be available to meet with key management immediately upon award of the contract. During this time, we also interview City Commission members to give them an opportunity to discuss their concerns as well. This gives us further insight and knowledge into the City's core issues. During these initial meetings, our discussion will include:

- our audit approach
- lines of communication
- scheduling to minimize disruption of your staff
- audit scope and alternatives
- areas management and City have concerns
- areas we deem high risk
- timeline for audit services

Step 2: *Gather Information:* During this phase, an understanding of the City, its internal controls, business process, computer system, financial reporting system, and organizational structure is obtained so that the audit team can properly assign risk and focus the audit procedures in those areas that are high risk. We will meet with key personnel to obtain an understanding of your operations. Each area above will be evaluated with the City's management and then tests will be performed to determine the effectiveness of those controls.

All information gathered will be documented in our electronic workpapers using memos, charts and spreadsheets. In addition, the City's policy manuals will be stored in our electronic permanent file for future use.

*We encourage you to express
your expectations with respect to
the services we provide.*

We would suggest focusing attention on the following potential high risk areas, based on our experience with other entities similar to yours:

- **Rate Compliance** – Given the high dollar value of water, sewer and stormwater revenue, it is imperative that the rates adopted by Commission have been timely and accurately put into the City's Billing systems to ensure accurate billings being sent to customers.
- **Fixed Assets** – Based on our extensive experience in government, this is a common area of concern. A fixed asset inventory should be done periodically and items should be tagged and controlled. We will, whenever possible utilize CAAT (Computer Aided Auditing Techniques) and design test to search for fraud, where possible.
- **Procurement** – This is typically a high risk area for most governments as there is a correlation to improper procurement processes and abuse of management responsibilities. For example, on costly construction projects, there is an inherent risk for collusion on bids, kickbacks, related party contracts, and noncompetitive procurements. An example of an audit procedure where we would utilize CAAT's is to extract data to match vendor names with employee names and addresses.
- **Payroll and Benefits** – A significant portion of the City's budgeted expenses are for personnel costs. There is an inherently high risk of misstatement due to the risk of errors such as the improper assignment of fringe cost and withholding and the complicated nature of salary computations especially for police officers. Risk of fraud includes unapproved salary changes or fictitious employees and time records.

Other Planning Procedures include:

- Review budgets, organization charts, and audit pertinent procedure manuals
- Design “walkthroughs” as deemed necessary
- Review minutes from the City Commission and committee meetings
- Review grant agreements and contracts, etc.
- Prepare a list of schedules and workpapers to be prepared by the City's personnel

Step 3: Prepare Audit Programs: In contrast to many firms who only utilize a single partner or individual to develop their audit programs or simply use the standard boiler plate programs, we use the combined efforts of our experienced **audit team to tailor audit programs for the City**. With Grau's focus on client service, and our knowledge and experience, you can be assured that it will be the most effective and efficient approach to the audit of the City.

A final estimation will be made by the Partner at that time of the audit team members' assignment and the amount of time allocated to the risk areas.

Phase II – Execution of Audit Plan

This phase of the audit includes 3 steps: the *interim fieldwork*, *IT assessment* and *year-end fieldwork*.

Step 1: Interim Fieldwork – This includes many planning activities mentioned earlier and consists mainly of testing the internal control systems, computer systems, sampling of transactions for high risk areas, test of compliance and grant program transactions, if applicable. Our interim work will be performed prior to year-end, at a time that best accommodates *your* staff's schedule. Our specific audit procedures are streamlined and involve customized procedures that help clients manage their increased responsibilities.

Step 2: IT Assessment – Given the significance of information technology in today's environment it is imperative that the security systems in place are adequate and working effectively. This segment of the engagement includes testing the security of the financial data and the security of the network as a whole. Our IT partners will perform vulnerability assessments, penetration tests, and other tests to ensure the security and validity of data.

Step 3: Year End Fieldwork – This is the largest part of the audit process and includes both substantive audit tests and analytical review. Our processes will focus on the operating statement activities, year-end test of balances and reconciliations, confirmation procedures, and compiling the information in order to provide meaningful and materially accurate financial statement for the stakeholders of the City. Principal techniques used to acquire evidence on which the expression of our opinion on the fairness of the financial statements is reached are as follows:

- *Examination (inspection)* – to substantiate authenticity
- *Observation* – to ascertain compliance
- *Confirmation* – third party evidence

These procedures will be performed by the most experienced and trained senior auditors and managers who work exclusively on governmental audits. Extensive partner involvement will be used in high risk areas and throughout the engagement to coordinate, monitor and review the work performed. **No staff auditor will ever be involved in a high risk area.** The engagement partner and manager will meet with City representatives on all material matters as they arise and report promptly any potential audit issues.

We will complete all fieldwork, including that required by the Single Audit Act, and will provide you with a preliminary draft of the audit reports, by the date set forth in the Request for Proposal.

Phase III: Reporting

This phase of the audit is divided into 3 steps:

Step 1: Financial Reporting – During this step, the audit team will complete the tasks related to financial reporting, including drafting the financial statements, if applicable. We ensure that we perform procedures through the date of our audit report and that all audit procedures are extended, as necessary. Tasks to be performed include:

- Final analytical review procedures
- Review and inquires for subsequent events, contingencies and commitments
- Update to attorney's letter and minutes

The partner and manager will be available via phone or in person to meet with management and the City on any material matters that could affect the financial position or results of operations.

Step 2: Management Letter – As each potential management letter point is identified in the audit process, the audit team will document the condition and our recommendation, and the benefits of the recommended action. Any critique of operations will be confidential and constructive. **We do not recommend change for the sake of change.** All recommendations must be cost effective, simple to effectuate, and will take into account why the deficiency occurred. Further, we pledge to assist you in identifying and solving problems before they become critical. Our audit team's diverse experience, and their independent and objective views, ensures valuable and meaningful comments, observations, and conclusions. Please refer to Page 43 for a Sample Management Letter.

Step 3: Audit Reports – The final step in our audit involves the preparation and review of the various audit reports. All of our financial audits go through a stringent independent and technical review. A closing conference will be held with the City's management to review all the draft reports and make any financial revisions before issuing the final reports.

The above 3 phases of this engagement will be completed so that your reports will be issued by your deadline as outlined in the RFP.

➤ Type and extent of analytical procedures to be used in the engagement

Understanding financial relationships is crucial to planning and evaluating the results of analytical procedures and requires knowledge of the City. The full extent to which analytical procedures are utilized is based upon the auditor's professional judgment and the overall risk assessment results.

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

Audit Planning

Analytical procedures provide great insight in our planning. These analyses can enhance our understanding of transactions and events that have occurred during the year under audit. Analytical procedures in the planning phase are also performed to identify any unusual and unexpected relationship that may warrant further investigation. For example, if revenue does not change directly with changes in rates and usage.

Fieldwork

Analytical procedures are used as effective substantive tests in certain circumstances. For example, testing certain payroll related expenditures, such as payroll taxes, which are a specific percent of wages. During the course of our year end fieldwork we utilize analytical procedures to support the results of our other audit procedures.

Overall Review

Analytical procedures used at the conclusion of the audit are designed to assess the conclusions reached and evaluate the overall financial statement presentation. For example, we will review the financial statements and compare the numbers to prior year and see if variances make sense based upon the work performed. We would determine if sufficient work was done in a particular area. Any variances would need to be substantiated.

While the SAS's do not specify any particular analytical procedures, our audit approach utilizes procedures that focus on the overall relationships within the basic financial statements. We obtain a complete understanding of the entity and a larger comprehensive approach at the financial statement level.

➤ vii) Extent of use of electronic data processing (EDP) software in the engagement

Automated Workpapers

Our firm utilizes ProSystem fx Engagement electronic software, which allows us to conduct a true paperless audit.

Secure Portal

Our clients are able to transmit information to us on our secure client portal with the ability to assign different staff with separate log on and viewing capability. This further facilitates efficiency as all assigned users receive electronic mail notification as soon as new information has been posted into the portal.

Accounting Research

We utilize Checkpoint, by Thompson Reuters which is a comprehensive online database providing leading industry guidance on analytical accounting and auditing. It includes full publications from the Governmental Accounting Standards Board, the Financial Accounting Standards Board, Emerging Issues Task Force, GAO, AICPA and International Accounting Standards Board. In addition, Checkpoint provides intelligent links to the original source documents.

Computer-Assisted Audit Techniques (CAAT)'s

It is our firm's policy to design our audit procedures to maximize the application of computer-assisted audit procedures (CAAP) in order to increase efficiency. Our firm uses Active Data mining software that enables us to use data from your financial reporting system to perform CAAT's. Some examples of taking an output file format and converting it into a usable data format for our audit team to perform CAAT's include:

The control environment over information technology including the IT organization structure, policies and procedures are considered the cornerstone for all other general controls because it sets the tone for the IT function within an organization.

- Trends in number and amounts paid to vendors
- Sorting payments to identify items that fall under the threshold of financial control or contract limits
- Analyzing sequence in a population for missing or duplicated items
- Comparison of vendors and employee addresses

CAAT's are also useful in performing a variety of time consuming tests such as: footing files, testing for incomplete data, and sorting. CAAT's are also used to perform a variety of tests of controls such as: selecting a sample for inspection or re-performance of procedures, testing access to critical files and programs, and testing program application controls.

Information Systems Audit Procedures

In the technology age, information security and financial systems security is a big concern for many of our clients. Areas of potential risk are:

- Data security including access to the data and software
- Processes that automatically import data from an outside source
- Processes that export data to other programs

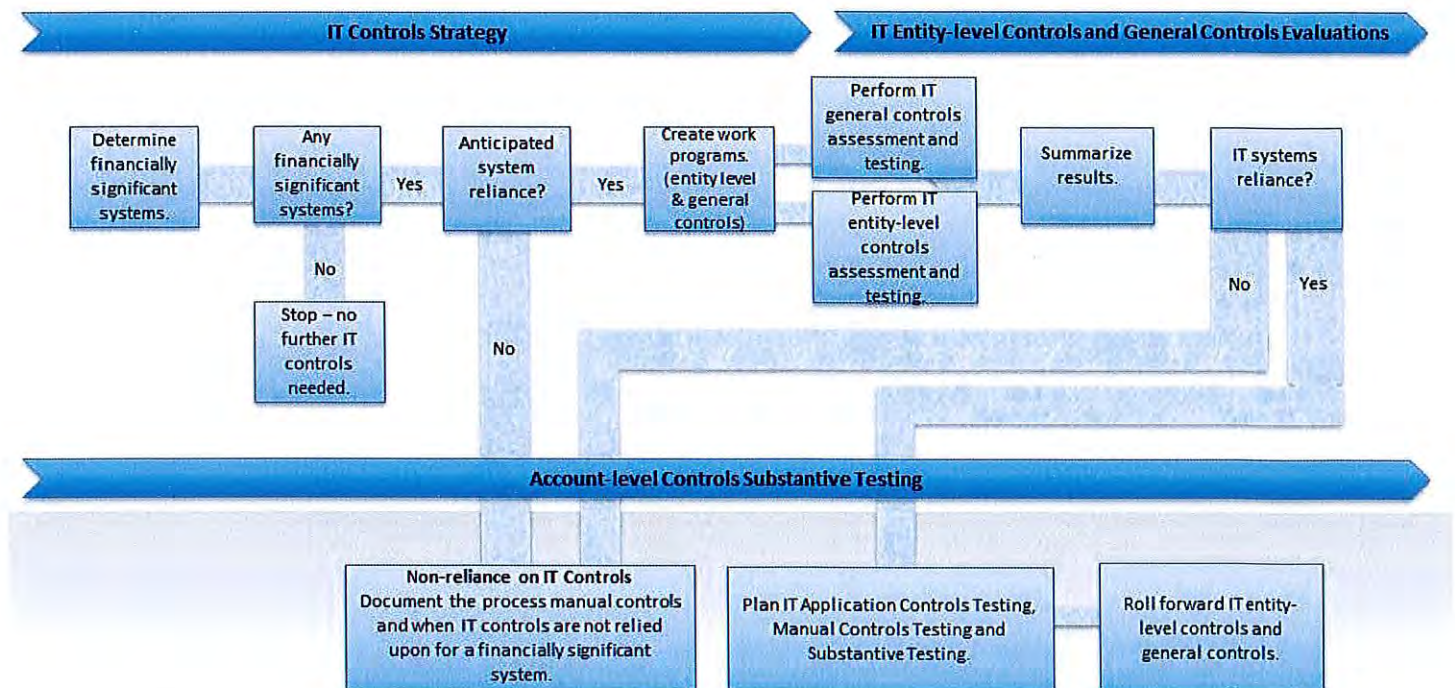
Under current generally accepted auditing standards, we are required to gain an understanding of internal controls which include an entity's Information Technology (IT) environment during audit planning, in order to determine the nature and timing of substantive audit procedures. We assess what level of IT environment an entity has on a scale from one to three. For example, a level one entity has a non-complex IT structure with features including the use of commercial off-the-shelf (COTS) accounting software and a limited number of workstations and online transaction. By comparison, a level three entity has a complex IT structure with one or more servers, several integrated software applications, thirty or more workstations and online transactions.

We have partnered with SLPowers, a firm recognized as one of the countries most advanced IT service providers, to work side by side with our audit team. We believe partnering with an industry expert provides additional assurance to the City that its IT systems are being checked and evaluated accurately. SLPowers is at the cutting edge of the rapidly evolving environment of network and database security, internet security and vulnerability testing. In today's information age, an in-house IT auditor may not have the most up-to-date experience and training for handling sensitive information and financial database security.

We will work alongside our IT Contractor to assess, document, and test as deemed necessary the following five areas of IT controls:

- Entity Level Control
- Change Management
- Information Security
- Backup and Recovery
- Third Party Providers (if applicable)

Our approach to testing is documented in the chart below.



Once we gain a better understanding of the general controls over IT functions, then we can take a look at specific areas within the financial reporting process that need to be reviewed in greater detail. Good controls around these aspects of IT are important in order to maintain the integrity of the numbers.

➤ **Level of staff to be assigned to each proposed segment of the engagement**

	Partner	Manager	Senior	Staff	Total
Preliminary Planning	30	40	30		100
Perform Audit Plan		200	200	100	500
Completion and Delivery	30	40	30		100
Total	60	280	260	100	700

Our commitment to serve you is the driving force in forming the strongest audit team of professionals in order to bring you the highest level of governmental expertise of any firm in our area. Grau & Associates is committed to the governmental sector and our governmental practice accounts for approximately 98% of our firm's revenue. Needless to say, governmental audits are not "fill-in" work at Grau, like it is for other firms, and we would not respond to the RFP if we did not have the staffing and resources to fully comply with your needs.

➤ **Approach to be taken to gain and document an understanding of the City's internal control structure**

Governments today are increasingly reviewing their roles and responsibilities of internal control functions to respond to the increasing expectations of the City's stakeholders. Control activities are procedures and policies that help ensure that management's directives are being carried out and the City's objectives are being met; please refer to Planning & Execution Phases, beginning on Page16.

Grau believes the internal control segment is the foundation for the entire audit and involves an extensive understanding and evaluation of operating and management information systems and all related internal controls. The results of this evaluation will influence the nature, timing and extent of our substantive audit procedures. This approach ensures that we achieve maximum efficiency and provides valuable feedback to management regarding the effectiveness of controls being relied upon throughout the year.

➤ **Approach to be taken in determining laws and regulations that will be subject to audit test work**

Due to the special nature of governments, the traditional audit scope has been broadened to encompass determination of what laws and regulations have a direct and material impact on the financial statements. Identifying applicable laws and regulations is fundamental to fulfilling the responsibility of understanding their effects. We will obtain this knowledge from various sources including:

- Review of federal and state laws
- Review of contracts
- Inquires of management and staff
- Review of ordinances, resolutions and policies
- Review of grant agreements
- Review of debt covenants
- Review of prior financial statements

➤ **Approach to be taken in drawing audit samples for purposes of tests of compliance**

Once significant laws and regulations that affect the City are identified, we will design compliance procedures to provide reasonable assurance that your financial statements are free of material misstatements resulting from violations of these laws and regulations. We will work with City staff, as well as our analysis of the City's internal control structure, to ensure completeness of our population. Tests of compliance with laws and regulations will be incorporated with samples selected for tests of transactions and controls, when practical. Additional samples are sometimes necessary to test specific laws and regulations as well as for testing federal and state awards. All samples will be chosen to ensure a low level of risk for single audits.

➤ **Cost effective audit techniques**

We use a risk based approach taking into account staffing, sampling and analytics which results in costs savings to the City. Please refer to our Firm's Methodology and Philosophy, Beginning on Page 15, for more detailed information.

➤ **Interim and final examination techniques**

Please See Proposed Segmentation of the Engagement starting on Page 15, for techniques utilized throughout the audit engagement.

➤ **Certificate of Achievement for Excellence in Financial Reporting**

We are proud to have assisted our clients who participate in the GFOA Certificate of Achievement for Excellence in Financial Reporting Program (CAFR) to qualify for and maintain that award. Over the last five years, 100% of our clients that have applied have been awarded and have maintained the award. This certificate program is recognized as the highest award in governmental financial reporting and the Certificate of Achievement has been awarded on all of the financial statements we have reported in the certificate program, such as:

- City of Cooper City
- City of North Lauderdale
- Town of Lantana
- Town of Lauderdale By - The - Sea
- Village of Golf
- Village of Wellington

Grau & Associates has the capability and experience to assist the City in obtaining the GFOA Certificate of Achievement for Excellence in Financial Reporting. In drafting the financial statements we ensure that all applicable GASBs have been implemented, that the report is in accordance with GAAP and that the GFOA checklist items are all included in the report.

➤ **Management Letters**

All potential comments will be reviewed with your key staff members before issuance. It is our firm policy that the Management Letter be a vehicle for suggesting improvement to our clients to enhance efficiency and management effectiveness.

Please see Phase III, Step 2 of our Proposed Segmentation of the Engagement Section above for additional information regarding Management Letters.

➤ **Independence**

Grau & Associates affirms we meet the independence requirements of the Standards for Audit of Governmental Organizations Programs, Activities and Functions published by the U.S. General Accounting Office, Governmental Auditing Standards (GAS) issued by the Comptroller General of the United States and the Laws and Rules of Florida Board of Accountancy or any subsequent amendments or superseding revisions. As defined by auditing standards generally accepted in the United States of America and the U.S. General Accounting Office's Government Auditing Standards, Grau & Associates, their partners and employees are independent of the City. We would be performing an independent audit of the City; we are organizationally independent and will maintain an independent attitude and appearance. We have no conflict of interest with regard to any other work performed for the City.

TAB F. WORK PRODUCT, SCHEDULE AND FEES

Tentative Schedule

Audit Phase and Tasks	AUG	DEC / JAN	JAN / MAR
I. <u>Planning Phase</u>			
Planning discussions with financial management			
Understanding the entity and environment			
Develop understanding of IT controls & systems			
Preliminary analytical reviews on financial statements			
Conduct risk assessments			
Develop audit plan			
Request the City's assistance & documentation needs			
II. <u>Internal Control Phase</u>			
Conduct tests of internal controls and systems			
Perform information technology evaluation & follow-up			
Conduct Single Audit Testing			
Provide the City with list of all schedules to be prepared by the City			
Review and finalize audit plan			
III. <u>Fieldwork Phase</u>			
Perform analytical procedures & respond to variances			
Perform substantive tests of account balances			
Perform compliance testing of transaction classes			
Review subsequent events, contingencies & commitments			
Review preliminary results with financial management			
IV. <u>Reporting Phase</u>			
Perform final analytical procedures			
Review the financial statements			
Hold audit exit conference with financial management			
Issue opinion report on financial statements			
Issue internal control & compliance report and single audit report			
Issue management letter, if applicable			
Submit Form 990 for review and submission			
The City to provide responses to management comments and Single Audit findings, if applicable			

Fees

The fees proposed includes all charges that may be anticipated in fulfilling the contract as outlined in Exhibit B – Scope of Services and can be located separately in the sealed cost proposal as requested in Exhibit C.

Rates for Additional Professional Services

The quoted fees are based on the assumption that the City maintains its current level of operations. We understand that if it becomes necessary to perform additional work, then such shall be performed only if set forth in an amendment to the contract and shall be performed at the same rates set forth in the schedule of fees and expenses included in the sealed pricing proposal.

Manner of Payment

We understand that progress payments will be made on the basis of hours of work completed during the course of the engagement and out of pocket expenses incurred in accordance with our dollar cost bid proposal; we accept the terms indicated in Exhibit C of the RFP.

TAB G. ADDITIONAL RFP INFORMATION

REQUIRED EXHIBITS

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: Grau & Associates

ADDRESS: 2700 N Military Trail, Suite 350, Boca Raton, Florida 33431

NAME OF SIGNER Antonio J. Grau
(Print or Type)

TITLE OF SIGNER President

SIGNATURE:  DATE: May 27, 2016

TELEPHONE NO.: (561) 994-9299 FACSIMILE NO. (561) 994-5823

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

State of Florida)


) ss:

County of Palm Beach)

Antonio J. Grau being first duly sworn, deposes and says that:


- (1) He/she is the President (Owner, Partner, Officer, Representative or Agent) of Grau & Associates, 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:



Charlie Farris

By:



Antonio J. Grau
(Printed Name)

President
(Title)

ACKNOWLEDGMENT

State of Florida)

_____) ss:

County of Palm Beach)

The foregoing instrument was acknowledged before me this ___ day of May 27, 2016 , by Antonio J. Grau, 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.

Fawn Stanford
NOTARY PUBLIC

Fawn Stanford



My commission expires: September 29, 2016

EXHIBIT H / PROPOSER'S CERTIFICATION / RFP NO. 2016 010
WHEN PROPOSER IS A CORPORATION

IN WITNESS WHEREOF, the Proposer hereto has executed this Proposal Form this 27 day of May, 2016.

Grau & Associates
Printed Name of Corporation

Florida
Printed State of Incorporation

By: [Signature]
Signature of President or other authorized officer

(CORPORATE
SEAL)

Antonio J. Grau
Printed Name of President or other authorized officer

ATTEST:

By: [Signature]
Secretary

2700 N Military Trail, Suite 350
Address of Corporation

Boca Raton, Florida 33431
City/State/Zip

(561) 994-9299
Business Phone Number

State of Florida
County of Palm Beach

The foregoing instrument was acknowledged before me this 27 day of May, 2016, by Antonio J. Grau (Name), President (Title) of Grau & Associates (Company Name) on behalf of the corporation, 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.

Fawn Stanford
NOTARY PUBLIC



My commission expires: September 29, 2016

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: Antonio J. Grau

Corporation

NAME: Grau & Associates

Partnership

ADDRESS: 2700 N Military Trail, Suite 350, Boca Raton, Florida 33431 Individual

PRINCIPAL OFFICE: 2700 N Military Trail, Suite 350, Boca Raton, Florida 33431 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: Antonio J. Grau CPA PA dba Grau & Associates

The address of the principal place of business is: 2700 N Military Trail, Suite 350, Boca Raton, Florida 33431

2. If Proposer is a corporation, answer the following:
 - a. Date of Incorporation: January 3, 2005
 - b. State of Incorporation: Florida
 - c. President's name: Antonio J. Grau
 - d. Vice President's name: Racquel McIntosh
 - e. Secretary's name: Antonio J. Grau
 - f. Treasurer's name: Michelle Grau
 - g. Name and address of Resident Agent: Antonio J. Grau, 2700 N Military Trail, Suite 350, Boca Raton, Florida 33431

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

a. Date of organization: _____

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

c. State whether general or limited partnership: _____

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

N/A

5. If Proposer is operating under a fictitious name, submit evidence of compliance with the Florida Fictitious Name Statute. Please refer to TAB G. Additional RFP Information, Page 41.

6. How many years has your organization been in business under its present business name?

Since January 3, 2005

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

Grau & Company

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.

Please refer to TAB G. Additional RFP Information, Page 39

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

No

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 refer TAB G. Additional RFP Information, Exhibit K, Page 34

(name)	(address)	(phone)
--------	-----------	---------

(name)	(address)	(phone)
--------	-----------	---------

(name)	(address)	(phone)
--------	-----------	---------

(name)	(address)	(phone)
--------	-----------	---------

(name)	(address)	(phone)
--------	-----------	---------

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

Please refer to TAB D. Firm/Proposer Information, Page 4

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

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.


(Signature)

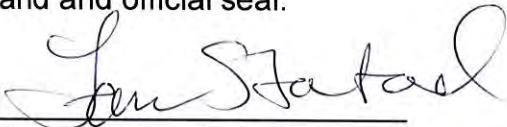
State of Florida
County of Palm Beach

The foregoing instrument was acknowledged before me this 27 day of May, 2016, by

Antonio J. Grau, 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.

Fawn Stanford
NOTARY PUBLIC





My commission expires: September 29, 2016

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 27, 2016

EXHIBIT K / REFERENCE SHEET

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

Audit Firm Name	Grau & Associates
Address	2700 N Military Trail, Suite 350
City, State Zip	Boca Raton, Florida 33431
Phone	(561) 994-9299
Email	tony@graucpa.com

Agency Name	City of Weston
Address	17200 Royal Palm Blvd.
City, State Zip	Weston, Florida 33326
Phone	(954) 385-2000
Contact Name, Title	David Keller, Assistant City Manager/CGO
Email	dkeller@westonfl.org
Date of Contracts	Annually, 2014-Present

Agency Name	City of North Lauderdale
Address	701 SW 71 Avenue
City, State Zip	North Lauderdale, Florida
Phone	(954) 724-7056
Contact Name, Title	Susan Nabors, Director of Finance
Email	snabors@nlauderdale.org
Date of Contracts	Annually, 2004-Present

Agency Name	City of Cooper City
Address	9090 SW 50 Place
City, State Zip	Cooper city, Florida 33328
Phone	(954) 434-4300 x 292
Contact Name, Title	Horacio Montes de Oca, Finance Director
Email	Horaciom@coopercityfl.org
Date of Contracts	Annually, 2008-Present

Agency Name	Village of Wellington
Address	12300 Forest Hill Blvd.
City, State Zip	Wellington, Florida 33414
Phone	(561) 791-4000
Contact Name, Title	Tanya Quickel, Chief Financial Officer
Email	tquickel@wellingtonfl.gov
Date of Contracts	Annually, 2012-Present

Agency Name	Town of Lauderdale By The Sea
Address	4501 Ocean Drive
City, State Zip	Lauderdale By The Sea, Florida 33308
Phone	(954) 640-4203
Contact Name, Title	Tony Brian, Finance Director
Email	tonyb@lbts-fl.gov
Date of Contracts	Annually, 2010-Present

ACKNOWLEDGEMENT FORM / ADDENDUM NO. 1

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: Grau & Associates

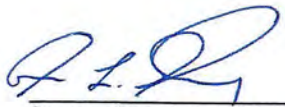
Address: 2700 N Military Trail, Suite 350, Boca Raton, Florida 33431

Name of Signer Antonio J. Grau
(please print)

Signature:  Date: May 27, 2016

Telephone: (561) 994-9299 Facsimile: (561) 994-5823

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


Spencer Shambay, CPPB
Purchasing Manager
5/24/16

Partial Client List

SPECIAL DISTRICTS	Governmental Audit	Single Audit	Utility Audit	Current Client	Year End
Belle Fontaine Improvement District	✓				9/30
Boca Raton Airport Authority	✓	✓		✓	9/30
Coquina Water Control District	✓			✓	9/30
Central County Water Control District	✓			✓	9/30
Citrus County Mosquito Control District	✓				9/30
East Central Regional Wastewater Treatment Facility	✓	✓	✓	✓	9/30
East Naples Fire Control and Rescue District	✓	✓		✓	9/30
Greater Boca Raton Beach and Park District	✓			✓	9/30
Greenway Improvement District	✓				9/30
Hobe-St. Lucie Conservancy District	✓			✓	9/30
Homestead Educational Facilities Benefits District	✓				9/30
Horizons Improvement District	✓				9/30
Key Largo Waste Water Treatment District	✓	✓	✓	✓	9/30
Lake Padgett Estates Independent Special District	✓				9/30
Lakewood Ranch Inter-District Authority	✓				9/30
Lost Rabbit Public Improvement District	✓				9/30
Loxahatchee Groves Water Control District	✓			✓	9/30
Myakka City Fire Control District	✓				9/30
Pal Mar Water Control District	✓			✓	9/30
Palm Beach Soil and Water Conservation District	✓				9/30
Pinellas Park Water Management District	✓			✓	9/30
Pinetree Water Control District (Broward & Palm Beach Counties)	✓			✓	9/30
Ranger Drainage District	✓			✓	9/30
Renaissance Improvement District	✓			✓	9/30
San Carlos Park Fire Protection and Rescue Service District	✓			✓	9/30
South Indian River Water Control District	✓	✓		✓	9/30
South Trail Fire Protection & Rescue District	✓			✓	9/30
St. Lucie West Services District	✓			✓	9/30
Sun 'N Lake of Sebring Improvement District	✓		✓		9/30
Sunshine Water Control District	✓			✓	9/30
Twelve Oaks Improvement District	✓				9/30
West Lakeland Water Control District	✓				9/30
West Villages Independent District	✓			✓	9/30
Various Community Development Districts (250 current)	✓		✓	✓	9/30
TOTAL	441	5	4	271	

MUNICIPALITIES OR RELATED COMPONENT UNITS	Attestation Services	Consulting Services	Governmental Audit	Single Audit	Utility Audit	CAFR	Current Client	Year End
City of Cooper City			✓	✓	✓	✓	✓	9/30
City of Lauderhill			✓	✓	✓	✓		9/30
City of Miami (program specific audit (s))			✓				✓	9/30
City of North Lauderdale			✓	✓	✓	✓	✓	9/30
City of North Palm Beach (Internal Audit)	✓							9/30
City of Pompano Beach (Joint Venture, 40%)			✓	✓		✓		9/30
City of West Park			✓			✓	✓	9/30
City of Weston			✓			✓	✓	9/30
Town of Cloud Lake			✓				✓	9/30
Town of Davie			✓	✓	✓	✓		9/30
Town of Glen Ridge			✓					9/30
Town of Haverhill			✓				✓	9/30
Town of Highland Beach			✓				✓	9/30
Town of Hillsboro Beach			✓	✓	✓		✓	9/30
Town of Hypoluxo		✓	✓				✓	9/30
Town of Lantana			✓	✓	✓	✓	✓	9/30
Town of Lauderdale by the Sea		✓	✓		✓	✓	✓	9/30
Town of Mangonia Park			✓		✓			9/30
Village of Golf			✓		✓	✓	✓	9/30
Village of Wellington			✓		✓	✓	✓	9/30
TOTAL	1	2	19	7	10	11	14	

NON-PROFIT CLIENTS SERVED AND RELATED EXPERIENCE	Attestation Services	Financial Audit	Consulting Services	Governmental Audit	Single Audit	Tax Services	Current Client	Year End
Aid to Victims of Domestic Abuse, Inc.		✓		✓	✓	✓	✓	6/30
Alliance for Human Services, Inc.		✓				✓		6/30
Brevard Workforce Development Board, Inc.				✓	✓			6/30
Broward County Human Rights Board/Division (Joint Venture, 30%)	✓		✓					N/A
Broward Education Foundation		✓		✓	✓	✓	✓	6/30
Christian Manor	✓	✓	✓	✓	✓	✓		12/31
Delray Beach Community Land Trust				✓		✓		9/30
Family Promise	✓							12/31
Florida Public Transportation Association, Inc.	✓	✓				✓	✓	9/30
Florida Transit Association Finance Corporation		✓				✓	✓	9/30
Hispanic Human Resources Council	✓	✓	✓	✓	✓	✓	✓	9/30
Mae Volen Senior Center	✓	✓		✓	✓	✓	✓	6/30
National Board for Registration of Registrars		✓				✓		3/31
National Cancer Registration Board		✓				✓		6/30
North Lauderdale Academy High School	✓			✓				6/30
Northwood Development Corporation	✓	✓	✓	✓	✓	✓		9/30
Palm Beach Community College Foundation			✓	✓		✓		6/30
Palm Beach County Workforce Development Board (Joint Venture, 25%)	✓							6/30
Pasco-Hernando Workforce Board		✓					✓	6/30
Southwest Florida Workforce Development Board				✓	✓		✓	6/30
Urban League of Palm Beach County				✓	✓			6/30
TOTAL	9	12	5	12	9	13	8	

RETIREMENT PLANS	Financial Audit	ERISA/DOL	Current Client	Year End
Campbell Property Management 401(k)	✓	✓	✓	12/31
City of Cooper City General Employee Retirement Plan	✓		✓	9/30
City of Lauderhill General Employee Retirement Plan	✓			9/30
City of Parkland Police Pension Fund	✓		✓	9/30
Cross County Home Services and Affiliates 401(k) Plan	✓	✓	✓	9/30
Danmar Corporation 401(k) Plan	✓	✓		12/31
Florida Public Utilities 401(k) and Pension Plans	✓	✓		12/31
Jacksonville Police and Fire Pension Fund	✓			9/30
Pinetree Water Control District Defined Contribution Retirement Plan	✓			9/30
San Carlos Park Fire Protection and Rescue Service District	✓		✓	9/30
Town of Davie General Employees Retirement Plan	✓			9/30
Town of Hypoluxo Defined Contribution Retirement Plan	✓		✓	9/30
Town of Lauderdale By The Sea Volunteer Firefighters Pension Plan	✓		✓	9/30
TOTAL	13	4	7	

OTHER GOVERNMENTAL ENTITIES	Attestation Services	Consulting Services	Governmental Audit	Single Audit	CAFR	Current Client	Year End
Broward County School District (Joint Venture) (Assessment of Maintenance Operations)		✓					N/A
Broward County School District (Joint Venture, 20%)			✓	✓	✓		6/30
Florida Community College at Jacksonville (Internal Audit)	✓						6/30
Florida Transit Association Finance Corporation		✓	✓			✓	6/30
Highland County School District (Internal Funds Audit)			✓				6/30
Palm Beach County School District (Assessment of maintenance for Facility and Property Management) (Internal Funds Audit)		✓	✓				6/30
Palm Beach County School District (Joint Venture, 20%)			✓	✓	✓		6/30
Migrant Health Services of Palm Beach County			✓	✓			N/A
South Florida Water Management District				✓			9/30
South Florida Water Management District CERP Program Management Services (Joint Venture)	✓						N/A
State of Florida Department of Management Services (Construction)			✓				N/A
State of Florida Department of Transportation (Overhead Audits - Various)			✓			✓	N/A
TOTAL	2	3	8	4	2	2	



Your Team's Licenses

STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
BOARD OF ACCOUNTANCY

LICENSE NUMBER	
AD64305	

The ACCOUNTANCY CORPORATION
Named below IS LICENSED
Under the provisions of Chapter 473 FS.
Expiration date: DEC 31, 2017

GRAU & ASSOCIATES
2700 N. MILITARY TRAIL #350
BOCA RATON FL 33431






STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
BOARD OF ACCOUNTANCY

LICENSE NUMBER	
AC0015330	

The CERTIFIED PUBLIC ACCOUNTANT
Named below IS LICENSED
Under the provisions of Chapter 473 FS.
Expiration date: DEC 31, 2017

GRAU, ANTONIO JOSE
2700 NORTH MILITARY TRAIL
SUITE 350
BOCA RATON FL 33431






STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
BOARD OF ACCOUNTANCY

LICENSE NUMBER	
AC38797	

The CERTIFIED PUBLIC ACCOUNTANT
Named below IS LICENSED
Under the provisions of Chapter 473 FS.
Expiration date: DEC 31, 2017

MCINTOSH, RACQUEL CECELIA
8139 BELLARIO LANE
BOYNTON BEACH FL 33472






STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
BOARD OF ACCOUNTANCY

LICENSE NUMBER	
AC44056	

The CERTIFIED PUBLIC ACCOUNTANT
Named below IS LICENSED
Under the provisions of Chapter 473 FS.
Expiration date: DEC 31, 2016

CAPLIVSKI, DAVID JAMES
2700 NORTH MILITARY TRAIL SUITE 350
BOCA RATON FL 33431

Fictitious Name Evidence

State of Florida

Department of State

I certify that the attached is a true and correct copy of the Renewal of Fictitious Name Registration for GRAU & ASSOCIATES, which was filed on June 8, 2015, as shown by the records of this office.

The document number assigned to this renewal is G15000055729.



*Given under my hand and the Great Seal of
Florida, at Tallahassee, the Capital, this the Ninth
day of June, 2015*

Ken Dietz

Secretary of State

Fictitious Name Detail

Fictitious Name

GRAU & ASSOCIATES

Filing Information

Registration Number G05228900301
Status ACTIVE
Filed Date 08/16/2005
Expiration Date 12/31/2020
Current Owners 1
County PALM BEACH
Total Pages 3
Events Filed 2
FEI/EIN Number 20-2067322

Mailing Address

2700 N. MILITARY TRAIL, SUITE 350
BOCA RATON, FL 33431

Owner Information

ANTONIO J. GRAU, CPA P. A.
2700 N. MILITARY TRAIL, SUITE 350
BOCA RATON, FL 33431
FEI/EIN Number: 20-2067322
Document Number: P04000170177

State of Florida

Department of State

I certify from the records of this office that ANTONIO J. GRAU, CPA P.A. is a corporation organized under the laws of the State of Florida, filed on December 20, 2004, effective January 3, 2005.

The document number of this corporation is P04000170177.

I further certify that said corporation has paid all fees due this office through December 31, 2016, that its most recent annual report/uniform business report was filed on March 8, 2016, and that its status is active.

I further certify that said corporation has not filed Articles of Dissolution.

*Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capital, this
the Eighth day of March, 2016*



Ken Deitzman
Secretary of State

Tracking Number: CC1652174396

To authenticate this certificate, visit the following site, enter this number, and then follow the instructions displayed.

<https://services.sunbiz.org/Filings/CertificateOfStatus/CertificateAuthentication>

Management Letter Sample

REPORT TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

2013-01 Escrow Accounts:

Observation: During procedures in prior and current years, it was noted that the Village has several escrow/deposit accounts in the general fund and planning, zoning and building fund used to hold cash collected in advance of services being rendered or as deposits held until completion of projects (for example, engineering fees and builder deposits). For certain accounts, the balances have been held prior to 2008. Approximately \$500,000 is being held by the Village that should potentially be returned to customers.

Recommendation: The Village should do a complete accounting of the amounts and contact the entities or individuals for refunds. If it is determined that the Village has the authority to retain any of the funds, those amounts should be reclassified into revenue.

Management Response: Management concurs with this recommendation and will continue and complete the reconciliation process. The majority of the escrow accounts have been reconciled.

2014-01 Fully Depreciated Fixed Assets:

Observation: During procedures it was noted that the Village has several significant fixed assets that are fully depreciated listed on the fixed asset schedules. It could not be determined whether these assets were still in use as they were not tagged and subject to the annual inventory performed by the Village.

Recommendation: The Village should perform a comprehensive inventory listing of all assets that are still in use and remove those items that are no longer in use.

Management Response: Management concurs with this recommendation and will implement policies and procedures to accurately manage inventory.

II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS

2012-01 Utility Billing

Current Status: The matter has been completely resolved and will not be repeated.

2013-01 Escrow Accounts

Current Status: The matter has not been completely resolved and will be repeated.

2013-02 Disposal of Fixed Assets

Current Status: The matter has been completely resolved and will not be repeated.

2013-03 Workers Compensation Payable

Current Status: The matter has been completely resolved and will not be repeated.

Our IT Partners / Consultants

Information technology has changed the financial management and reporting landscape for organizations of every size. Grau and Associates believes it is no longer enough to verify that your department's accounting software runs properly. In today's environment, a range of policies, procedures, and IT best practices are required to ensure your system is reliable, redundant, and fully compliant.

We've partnered with SLPowers, one of the technology industry's leading managed service and security providers, to assess the integrity of your financial information systems, and to make recommendations on how to improve them.

As part of our engagement, an experienced SLPowers engineer will:

- ..Assess your IT strategic planning and risk management posture, as they relate to your financial reporting requirements;
- ..Evaluate the viability of your data backup and retention policies and processes;
- ..Review the physical security and access controls surrounding your financial management systems;
- ..Verify appropriate segregation of duties among key staff;
- ..Assess change management and documentation;
- ..Make specific recommendations on how to optimize your environment.

Headquartered in West Palm Beach, SLPowers was founded in 1986 and is staffed by more than 25 full-time engineers. They were the first managed service provider (MSP) to support small- and medium-sized Florida organizations, and have been consistently named among the top providers in the country. MSPmentor, the industry's leading online resource, ranked SLPowers as one of the Top 100 providers in the world—and the highest-rated provider in South Florida. In February, *CRN*, the tech industry's top magazine, named SLPowers to its "Pioneer250" list of innovative service providers.

SLPowers provides a full range of IT project management, specializing in the areas of storage, virtualization, and security—including compliance. They routinely conduct network assessments for organizations ranging in size from 20 to over 2,000 employees.



Additional Services

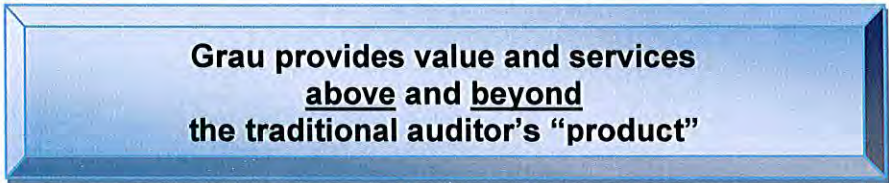
Consulting / Management Advisory Services

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

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

Arbitrage

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



**Grau provides value and services
above and beyond
the traditional auditor's "product"**

We look forward to providing you with our resources and experience to accomplish not only those minimum requirements set forth in your Request for Proposal, but to exceed those expectations!

For even more information on Grau & Associates, please visit us on www.graucpa.com.

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

Fiscal Year: 2020			
Staff Level	Number of Hours	Proposed Rate per Hour	Proposed Total
Audit Segment:			
Partners	60	\$230	\$13,800
Managers	280	\$160	\$44,800
Supervisory Staff	260	\$125	\$32,500
Staff	100	\$100	\$10,000
Segment Subtotal	-	-	\$101,100
Others (specify) <i>Courtesy Discount</i>	-	-	(\$1,100)
Total Audit Segment	-	-	\$100,000

Fiscal Year: 2021			
Staff Level	Number of Hours	Proposed Rate per Hour	Proposed Total
Audit Segment:			
Partners	60	\$235	\$14,100
Managers	280	\$165	\$46,200
Supervisory Staff	260	\$130	\$33,800
Staff	100	\$105	\$10,500
Segment Subtotal	-	-	\$104,600
Others (specify) <i>Courtesy Discount</i>	-	-	(\$2,600)
Total Audit Segment	-	-	\$102,000

Fiscal Year: 2022			
Staff Level	Number of Hours	Proposed Rate per Hour	Proposed Total
Audit Segment:			
Partners	60	\$240	\$14,400
Managers	280	\$170	\$47,600
Supervisory Staff	260	\$130	\$33,800
Staff	100	\$105	\$10,500
Segment Subtotal	-	-	\$106,300
Others (specify) <i>Courtesy Discount</i>	-	-	(\$2,300)
Total Audit Segment	-	-	\$104,000

Total Audit Scope	-	-	\$706,500
Other (specify) <i>Courtesy Discount</i>	-	-	(\$25,500)
Total Other	-	-	
Total Year	-	-	\$681,000


Signature

President

Title

May 27, 2016

Date

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

NAME OF FIRM Grau & Associates

SECTION 1
PROFESSIONAL FEES AND EXPENSES
SUPPORTING SCHEDULE

Fiscal Year: 2016			
Staff Level	Number of Hours	Proposed Rate per Hour	Proposed Total
Audit Segment:			
Partners	60	\$230	\$13,500
Managers	280	\$160	\$42,000
Supervisory Staff	260	\$125	\$29,900
Staff	100	\$100	\$9,000
Segment Subtotal	-	-	\$94,400
Others (specify) <i>Courtesy Discount</i>	-	-	(\$4,400)
Total Audit Segment	-	-	\$90,000

Fiscal Year: 2017			
Staff Level	Number of Hours	Proposed Rate per Hour	Proposed Total
Audit Segment:			
Partners	60	\$235	\$13,800
Managers	280	\$155	\$43,400
Supervisory Staff	260	\$120	\$31,200
Staff	100	\$95	\$9,500
Segment Subtotal	-	-	\$97,900
Others (specify) <i>Courtesy Discount</i>	-	-	(\$5,400)
Total Audit Segment	-	-	\$92,500

Fiscal Year: 2018			
Staff Level	Number of Hours	Proposed Rate per Hour	Proposed Total
Audit Segment:			
Partners	60	\$230	\$13,800
Managers	280	\$160	\$44,800
Supervisory Staff	260	\$125	\$32,500
Staff	100	\$100	\$10,000
Segment Subtotal	-	-	\$101,100
Others (specify) <i>Courtesy Discount</i>	-	-	(\$6,100)
Total Audit Segment	-	-	\$95,000

Fiscal Year: 2019			
Staff Level	Number of Hours	Proposed Rate per Hour	Proposed Total
Audit Segment:			
Partners	60	\$230	\$13,800
Managers	280	\$160	\$44,800
Supervisory Staff	260	\$125	\$32,500
Staff	100	\$100	\$10,000
Segment Subtotal	-	-	\$101,100
Others (specify) <i>Courtesy Discount</i>	-	-	(\$3,600)
Total Audit Segment	-	-	\$97,500

Financial Audit*	\$102,000
Single Audit	\$5,000
CAFR Preparation (discount if City prepares)	\$5,000
Total All Inclusive 2021 Price	\$112,000

Financial Audit*	\$104,000
Single Audit	\$5,000
CAFR Preparation (discount if City prepares)	\$5,000
Total All Inclusive 2022 Price	\$114,000

Total All Inclusive Price Five Years Plus Two Year Extension	\$751,000
Total discount if City prepares CAFR:	-

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

Comments:


Signature

President
Title

May 27, 2016
Date

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

NAME OF FIRM Grau & Associates

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

TOTAL PRICE FOR AUDITING SERVICES

<u>Fiscal Year</u>	<u>Engagement Total</u>
Financial Audit*	\$90,000
Single Audit	\$5,000
CAFR Preparation (discount if City prepares)	\$5,000
Total All Inclusive 2016 Price	\$100,000

Financial Audit*	\$92,500
Single Audit	\$5,000
CAFR Preparation (discount if City prepares)	\$5,000
Total All Inclusive 2017 Price	\$102,500

Financial Audit*	\$95,000
Single Audit	\$5,000
CAFR Preparation (discount if City prepares)	\$5,000
Total All Inclusive 2018 Price	\$105,000

Financial Audit*	\$97,500
Single Audit	\$5,000
CAFR Preparation (discount if City prepares)	\$5,000
Total All Inclusive 2019 Price	\$107,500

Financial Audit*	\$100,000
Single Audit	\$5,000
CAFR Preparation (discount if City prepares)	\$5,000
Total All Inclusive 2020 Price	\$110,000



City of Margate

Proposal to Provide Financial Auditing Services



Grau & Associates

CERTIFIED PUBLIC ACCOUNTANTS

ORIGINAL



Qualifications and Experience of the Firm

- We are government auditing specialists - **98%** of practice is governmental entities
- Serving clients in Florida for over 30 years
- Member AICPA, FICPA, GAQC
- 70% of staff are CPAs
- State of Florida Certified Small Business Enterprise (SBE) and Minority Business Enterprise (MBE)

ORIGINAL



Qualifications and Experience of the Firm

- We are local and approximately thirty minutes from the City.
- Small team on-site
- Staff works year round on audits under government standards
- Higher quality of staffing so that your staff's time and disruptions are minimized
- Our current schedule has been developed to accommodate your audit

ORIGINAL



Qualifications and Experience of the Firm

- Currently audit 14 municipalities in Broward and Palm Beach Counties
- Familiar with Sunguard HTE (2 other clients use the software)

ORIGINAL

What sets us apart

➤ Large firms

- ❖ Personal attention from engagement partner
- ❖ Quicker decision making

➤ Small firms

- ❖ Invest in technology
- ❖ Invest in staff

Overall – more rounded staff. They work directly with partners and on the entire audit not just certain areas.

ORIGINAL



Value Added Services

- Year round support for technical accounting issues
- Sounding board for Management (investment, financing etc.)
- Suggest improvements in internal controls, processes, and financial reporting
- Bridge gap (if necessary) between Management and Commission

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Technical Approach and Methodology

- Getting to Know the Environment
 - Interview key personnel
 - Evaluate information technology
 - Test internal controls
- Risk Based Approach – we take into account staffing, sampling, and analytics which results in cost savings to you
- We will meet your reporting deadlines

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Technical Approach and Methodology

- **Management Letter**
 - Discuss with management as they arise
 - Must be cost effective
 - Must enhance operating or internal control effectiveness
 - Must take into account why the deficiency occurred

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Information System Procedures

- Partnered with SL Powers – industry expert
- Security of financial data
 - Access, firewalls
 - Backup and storage
 - Vulnerability assessment/penetration tests
- Infrastructure
 - Desktops, laptops, tablets
 - Error reporting
 - Policies surrounding terminated employees

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Highly Competitive Fees

- Short learning curve
- Small lean office because most of our time is spent out at our clients
- We are more efficient than other firms since we do not incur overhead for a tax or for-profit practice
- All of this results in a more competitive fee structure

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The Grau Advantage

- Higher quality of staffing on engagement
- Risk-based approach – better audit product
- We offer competitive fees
- No surprises
- Available year round allowing for continuous dialogue and guidance
- Provide client benefits including annual CPE for finance staff and educating them on new requirements
- Direct immediate access to:

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