

Act like a business advisor.  
Think like a local City Leader.

## PROPOSAL TO PROVIDE AUDIT SERVICES

City of North Miami Beach, Florida

December 7, 2016

THE POWER OF BEING UNDERSTOOD  
AUDIT | TAX | CONSULTING





December 7, 2016

Meghan Cianelli Bennett  
Purchasing Supervisor  
City of North Miami Beach  
17011 North East 19<sup>th</sup> Avenue, Room 315  
North Miami Beach, Florida 33162

**RSM US LLP**  
100 NE Third Avenue  
Suite 300  
Fort Lauderdale, Florida 33301  
T +1 954 462 6300  
F +1 954 462 4607  
[www.rsmus.com](http://www.rsmus.com)

Dear Ms. Bennett:

RSM US LLP (RSM), along with our SBE firm, Anthony Brunson, P.A. are pleased to have the opportunity to respond to your Request for Proposals No. 2016-05A (RFP) to provide financial auditing services to the City of North Miami Beach (the City) beginning with the fiscal year ending September 30, 2016. The following proposal reflects our understanding of your needs and illustrates the approach we will take in providing the professional services requested.

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

**Our commitment to the public sector.** Our Firm has continued to make the public sector one of its main industry focuses on both the national and local level. This sector includes municipalities, not-for-profits, colleges/universities, and other governmental entities. Nationally, we serve over 2,700 such organizations across the country, including over 800 governmental clients. Locally, Public Sector is the single largest industry we serve in the State of Florida. We represent numerous counties, cities, school boards, and water management districts in the State. We have a large, dedicated team of people that are passionate about serving public sector organizations such as the City. That commitment means we are in this industry to stay, that we have the people to serve you, and that those resources will not be pulled to work on other clients. Also, as a National firm we have a depth of resources and technical expertise that is unmatched by that of a regional or local firm. This includes technical guidance on the implementation of new GASB pronouncements or complex accounting transactions, consulting actuaries who review your pension and self-insurance actuarial valuations, and information technology specialists who are well versed in critical areas such as vulnerability and cybersecurity threats.

**Local presence and service philosophy.** We are the leading provider of public sector audit services in South Florida and bring that extensive experience and large local team to help the City. We currently serve as the auditor for several of the other major cities in South Florida including North Miami, Coral Gables, Coral Springs, Hollywood, Miramar and Miami, just to name a few. We bring national resources and expertise together with a local firm service approach, giving the City the best of both worlds which is unmatched by our competitors. Our large local presence will mean immediate access to our technical expertise whenever it is needed and the ability to share experiences and best practices from other similarly sized South Florida municipalities.

**THE POWER OF BEING UNDERSTOOD**  
AUDIT | TAX | CONSULTING

**We deliver more than an audit, we deliver real value.** We provide more than just an audit and try to look “beyond the numbers” to identify insights that add value to your organization. For example, RSM provides information technology (IT) audit assistance through its Technology Risk Advisory Services Group, whose members have extensive experience and training as electronic data processing (EDP) auditors. As part of our normal process, our EDP auditors perform a review of our client’s IT system operations and security configurations. One such recent review for one of our larger governmental clients identified certain vulnerabilities in their IT systems – we were able to provide assistance in addressing such vulnerabilities and worked with our client to ensure that their systems and sensitive electronic information were protected from outside threats. Also considering the City has just implemented a new enterprise resource programming system at the start of fiscal year 2016, and given the rising concern of cyber attacks, as seen on the news and all over the world, we would like to offer to you as a **value-added service at no additional cost to the City, a high level cyber security vulnerability assessment** by one of our trained and certified cybersecurity experts. Also, we know that like most cities, pension and health insurance costs continue to be a major challenge. Our consulting actuaries offer a fresh perspective when they review your actuarial reports and talk to your actuaries which may result in some value-added recommendations.

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

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

Once you have had the opportunity to review this response, we would be pleased to discuss your needs in greater detail or make a presentation to your team. In the meantime, please feel free to contact us at +1 954 462 6300 with any questions.

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

Sincerely,



Brett Friedman  
Audit Engagement Partner  
+1 954 462 6300



Bob Feldmann  
Client Service Partner  
+1 305 569 7954

## TABLE OF CONTENTS

<b>A) Scope of services proposed</b> .....	<b>1</b>
Scope of services .....	1
Audit firm responsibilities .....	2
Independence .....	3
Conflict of interest .....	4
Auditing standards to be followed .....	4
Financial statements in conformity with GASB standard .....	5
General approach .....	6
Single audit approach .....	8
Type and extent of analytical procedures to be used in the engagement .....	9
Approach to be taken to gain and document an understanding of the City's Internal control structure .....	9
Approach to be taken in determining laws and regulations that will be subject to audit testwork .....	10
Sample size and extent to which sampling will be used .....	10
Section 7.0 Exhibit A .....	10
Potential audit problems .....	11
Proposed Segmentation of the Engagement .....	11
Level of Staff and Proposed Hours by Segment .....	12
<b>B) Overall business approach/investment/proposed financial plan</b> .....	<b>13</b>
Overall business approach .....	13
Statistical sampling .....	19
Successor auditor communication .....	19
Fees .....	20
<b>C) Firm qualifications and experience</b> .....	<b>21</b>
Local support with national public sector resources .....	21
State and local government experience .....	22
Qualifications to instill confidence .....	22
Positioned to serve the City .....	23
Local presence .....	24
Licensure .....	24
Peer review .....	25
Federal or state reviews .....	25
Representation on standard-setting bodies .....	26
<b>D) Experience of key personnel</b> .....	<b>27</b>
Continuing professional education .....	32
Commitment to staff continuity .....	33
<b>E) Firm's resources and experience with governmental entities</b> .....	<b>34</b>
Use of audit technology .....	34
EDP audit responsibility .....	34

Impact of information technology on the audit approach.....	35
<b>F) Client references.....</b>	<b>36</b>
Pending litigation .....	38
<b>G) Required forms, attachments and value-added benefits .....</b>	<b>39</b>
<b>Appendices .....</b>	<b>41</b>
Engagement Team Biographies	
Peer Review	
Sample Reports	
Insurance Certificate	
AICPA Evidence of Memberships in Good Standing	
RFP List of Exceptions	

## A) SCOPE OF SERVICES PROPOSED

### A) SCOPE OF SERVICES PROPOSED

*Clearly describe the scope of services available. Include details of your firm's general approach, proposed solution and a timeline of major events.*

#### Scope of services

As described on the following pages, RSM US LLP (RSM) has the resources and capabilities to assist the City of North Miami Beach, Florida (the City) with your needs in the areas you have identified. This includes the following items:

- a) An Independent Auditor's Report on the fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, pursuant to an audit conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; This will include an in-relation-to opinion on the supporting schedules based on the auditing procedures applied during the audit of the government-wide and fund financial statements. This will also include the performance of certain limited procedures as described in professional standards over required supplementary information
- b) An Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an audit of Financial Statements Performed in Accordance with *Government Auditing Standards*;
- c) If applicable an Independent Auditor's Report on Compliance for Each Major Federal Program and Major State Project; Report on Internal Control over Compliance and Report on the Schedule of Expenditures of Federal Awards and State Financial Assistance required by the OMB Super Circular, Section 215.97 Florida Statutes, and Chapter 10.550, Rules of the Auditor General;
- d) An Independent Audit in Accordance with Audits of States, Local Governments, and Non-Profit Organizations; and Chapter 10.550, Rules of the Florida Auditor General;
- e) Data Collection Form to the Federal Audit Clearing house (SF-SAC) as required by the OMB Super Circular;
- f) In the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters, RSM shall communicate any material weakness found during the audit, if applicable.

#### Client service relationship

Our relationship with the City will be based on certain long-standing principles, including:

- An outstanding client service experience, focused on efficient and well-coordinated services
- Commitment to completing work within the agreed-upon time frame, assuming your preparation of requested schedules and other supporting documentation before we commence fieldwork
- Staffing of the engagement team based on industry-specific qualifications and technical experience
- Hands-on approach to planning, with management meetings held routinely to discuss changes to the business, industry issues, new accounting pronouncements, etc.
- Fees that are reasonable based on the scope of work and quality of services provided
- Transparent approach to the audit, with clear communication and an emphasis on avoiding surprises

## **No surprises**

In serving the City, we will communicate with you frequently throughout the audit process and throughout the year to address and resolve issues, new accounting standards and changes in your organization.

## **Smooth transition to working with us**

The City wants the transition from your prior firm to be smooth and orderly—resulting in as little distraction as possible. Any change of this nature will result in some disruption; however, with our extensive experience in succeeding other accounting firms, the disruption is minimized. Our process for transitioning clients from their prior auditors to our services emphasizes early planning, with a high degree of partner and manager involvement. We also have extensive experience with similar local South Florida governments and are well aware of trends and issues happening in the marketplace.

## **Audit firm responsibilities**

There is substantial guidance provided to auditors of government organizations as to how these audits should be conducted. Much of this guidance is in the form of mandatory professional standards, which establish the minimum standards regarding techniques, issues, training, etc.

The underlying reason for audit standards is to provide uniformity and credibility to the audit process. At RSM, we are well aware of these standards and their importance to the audit process, which is why they form the foundation for our governmental audit approach. As a CPA firm performing a government audit, our first responsibility is to the public for which the City serves.

Because the City's management has primary responsibility for the custody and proper use of public funds, and, in this regard, must report on its own activities, our role is to authenticate that reporting. To perform this role, we must understand your organization's control environment in which financial decisions are made and executed, as well as understand pertinent laws and regulations.

Much of what is involved in an audit is a learning exercise for the auditor in order to independently reach the right conclusion. This learning exercise gives us valuable insight into an organization's operations. One of our missions is to use this insight to make meaningful recommendations for improvement to management and those charged with governance.

## **Annual audit of financial statements and independent audit report**

RSM will audit, prepare and issue an independent auditor's report on the City's basic financial statements in accordance with generally accepted auditing standards and government auditing standards.

## **Compliance audit under the Uniform Guidance and the Florida Single Audit Act**

RSM will perform a compliance audit in accordance with the OMB Uniform Guidance and the Florida Single Audit Act, which outlines the single audit requirements. The OMB has issued the Uniform Guidance, which outlines the single audit requirements.

## **Provide special audit and general consultation on financial reporting matters**

We understand the City might request that we perform special audits and/or research regarding proper accounting treatments and compliance concerning financial reporting matters. Separate arrangements will be made for any such engagements after we evaluate our ability to provide such services under applicable independence standards.

**Management letter**

RSM will provide a management letter addressing to the Mayor and City Manager identifying any issues of noncompliance with the City policies and procedures, recommendations for realistic improvement to the internal control system, or other findings noted during the audit. Our focus is on comments and suggestions that add value to your organization and they will be thoroughly vetted and discussed with the appropriate parties before being issued to ensure a proper understanding.

**Report to the Mayor and City Manager**

RSM will present the scope and general extent of its planned examination, including its engagement letter, to the City Council and/or Audit Committee. We will also present an annual report of the results of the audit to the City Council and/or Audit Committee following the end of each fiscal year. These communications will include all the required communications under professional standards and as described in your request for proposal.

**Working paper retention**

Per firm policy, we retain all working papers at our expense for a minimum of five years, unless notified in writing of the need to extend the retention period. The audit documentation for this engagement is the property of RSM and we agree to make them available in accordance with professional standards to any regulators of the City or other appropriate parties.

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

Several members of the Firm, including multiple members of our proposed team, serve as special reviewers under this program. We will review to help ensure the City continues to qualify for the certificate of achievement for excellence in financial reporting.

**Comfort letters**

We have provided this for a number of clients in our public sector practice and can provide these services, if requested.

*Other Requested Responses***Independence**

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

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

## Conflict of interest

RSM has not had any professional relationships with the City in the past five years.

RSM has processes and monitoring tools in place throughout our firm to evaluate our relationships, monitor investments, and assess project scopes. Every professional is required to affirm annually, in writing, his or her compliance with our policies. Our National Office conducts audits of selected individual independence representations.

Maintaining our independence—in fact and in appearance—is of the utmost priority.

With respect to the City, RSM did not act in a management capacity, serve as a member of a management decision-making committee, make policy decisions affecting the direction and operations of programs, supervise employees, develop programmatic policies, authorize transactions, or maintain custody of assets.

RSM will submit written notice of any professional relationships entered into during the period of this agreement to the City.

## Auditing standards to be followed

To meet the requirements of this request for proposal, RSM will conduct the audits in accordance with the following standards:

- a) Auditing standards generally accepted in the United States of America
- b) The standards for financial audits set forth in the U.S. General Accounting Office's Government Auditing Standards (2011 Revision)
- c) The provisions of the Federal Single Audit Act of 1984 (as amended in 1996 and subsequently);
- d) The Florida Single Audit Act
- e) The provisions of U.S. Office of Management and Budget (OMB) Super Circular
- f) Audits of States, Local Governments, and Non-Profit Organizations, Audits of State and Local Governments (Revised) – AICPA
- g) Section 11.45, Florida Statutes
- h) State of Florida Department of Banking and Finance Regulations
- i) Rules adopted by the State of Florida Auditor General for form and content of governmental unit audits
- j) Any other applicable Federal, State and local laws or regulations
- k) Any updates of, or amendments to, these described auditing standards are to be incorporated in future audits performed for the City in future years.

## Financial statements in conformity with GASB standard

Our National Professional Standards group is responsible for monitoring changes in professional standards that could impact our firm's client base. RSM is actively involved in the GASB standard-setting process through our participation in the AICPA State and Local Government Expert Panel and through preparation of our own comment letters. Our active involvement in the industry provides us with timely updates and basis for conclusions on new standards that we can share with our clients when they attempt to adopt and comply with the new accounting standards. We also provide newsletters and webinars to keep your finance staff abreast of the latest changes in advance.

As part of the engagement, the audit partner and manager will be responsible for reviewing the financial statements to assess whether they are in accordance with current GASB reporting requirements.

Our approach to the audit of the City will be organized along the same lines as the City's financial report. Each account balance and class of transactions has its own unique area of audit concern. Accordingly, our approach will be customized for applicable fund types or opinion units and transaction class. Factors that will be considered are:

- Nature of transactions affecting the account
- Statutory and regulatory compliance
- Susceptibility of financial data to error and other inherent risks
- Budgetary control
- Internal controls/control risk
- Materiality of the account balance

Our overall approach is to understand the control structure for purposes of assessing the risk of misstatement. After this evaluation, appropriate modifications are made to adjust the amount and extent of substantive tests of balances to a commensurate level.

## General approach

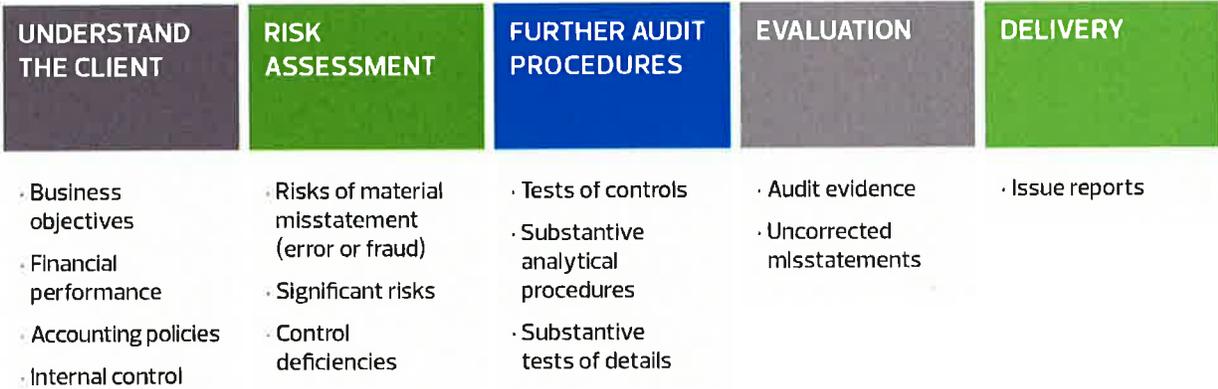
We have provided a summary overview of our audit approach which helps to highlight and emphasize our clear-cut ability to furnish the required services in a thorough and efficient manner. Our audit approach and methodology is focused on listening to and understanding you and your organization, not only the flow of transactions and internal controls, but also your strategies and business risks. We take a risk-based approach focusing on key transaction cycles and account balances with an emphasis on internal controls. This enables us to identify key audit components and tailor our procedures to the unique aspects of the City's business. We are often commended and recognized by our clients for the thoroughness of our audit process.

In summary, development of the specific audit plan is accomplished through:

- Meeting with the City's management to obtain an understanding of your business concerns and challenges;
- Thoroughly understanding and documenting the accounting and information systems;
- Identifying major areas of audit risk;
- Evaluating the design and operating effectiveness of internal controls;
- Coordinating the audit process with the Finance Director and key finance personnel;
- Performing tests of compliance;
- Utilizing interactive data extraction software (IDEA) to identify major and unusual transactions for further testing;
- Utilizing statistical sampling in selecting items for testing compliance and/or substantive tests where it is determined to be effective. Such as:
  - To test internal controls that we plan to rely on to reduce the scope of planned substantive tests;
  - Substantive tests of account balances and legal compliance for both financial audit and Uniform Guidance and A-133 compliance audit, as applicable;
- Reviewing major sources of information such as the City's budgets, organizational charts, and procedures manuals;
- Obtain key performance indicators used by management for use in analytical procedures and review;
- Evaluating economic and industry factors affecting operations;
- Thoroughly understanding and documenting the internal control systems over key transaction cycles (i.e. procurement, payroll, revenue and cash receipts, capital assets and debt);
- Evaluating information technology system access controls for key accounting and information systems and effectiveness of automated internal control functions (i.e. payroll submission, online receiving, purchase requisitioning);
- Using analytical procedures at the planning stage to identify specific risks or errors in the financial statements or of potential compliance violations;
- Performing testing on interim balances to minimize the amount and timing of year end testing;
- Using analytical procedures to perform substantive tests and final review of the financial statements;
- Performing substantive testing of balances.

The following diagram provides an overview of our overall audit methodology and approach:

**Key steps in the RSM audit process**



While the largest accounting firms may need to adapt their audit processes to work with government entities, RSM’s audit process is designed for organizations like the City. Our methodology allows your engagement team to use professional judgment in planning an overall audit strategy. Since government is a key industry for us both across the United States and in Florida, we are well versed on serving South Florida municipalities like the City.

Our audit process involves the following steps:

- **Understand the client.** We learn as much as possible about your organization up front in order to properly understand the reporting units, account balances, classes of transactions and disclosures relevant to your activities.
- **Risk assessment.** We assess the risk that errors or fraud may cause a material misstatement of financial statements. We next decide whether the identified risks relate to specific relevant assertions (i.e. completeness, existence, accuracy, etc.) related to significant account balances, classes of transactions, or disclosures, or whether they relate to the financial statements taken as a whole and potentially affect many relevant assertions. We then determine which of the identified risks of material misstatement are significant risks that require special audit consideration. We also identify internal control deficiencies as part of our risk assessment process.
- **Further audit procedures.** We next determine the nature, timing and extent of tests of controls and substantive procedures necessary to address the risks identified. We select transactions for testing using various approaches, which may include specific identification of transactions or may involve sampling.
- **Evaluation.** At the conclusion of the audit, we evaluate the sufficiency and appropriateness of the audit evidence obtained and whether the assessments of the risks of material misstatement at the relevant assertion level remain appropriate. We may redesign planned audit procedures based on our evaluation. We also evaluate the effects, both individually and in the aggregate at the opinion unit level, of known and likely misstatements that are not corrected by the City. We accumulate all known and likely misstatements identified during the audit, other than those we believe to be trivial, and communicate them to management and the members of the City Council or audit committee on a timely basis.
- **Delivery.** We communicate with you frequently throughout the audit process to avoid surprises at the end. Our audit culminates with the issuance of a report on the financial statements, a report on the fairness of the presentation of the schedule of expenditures of federal awards and state financial assistance, reports on internal control related to the financial statements and major federal programs and state projects, reports on compliance with laws, regulations, and the provisions of contracts or

grant agreements, a schedule of findings and questioned costs, and a report to the governing board or audit committee and, if applicable, communications of material weaknesses and significant deficiencies.

### **Proactive resolution of accounting issues**

We find that year-round communication and a proactive approach to accounting issues helps clients avoid surprises at the end of the audit process. For this reason, we encourage clients to call us to discuss new transactions as they arise. By having a deep local team dedicated to serving governments like the City in South Florida we can provide assistance in person on short notice, whenever needed.

Utilizing our wealth of understanding and experience serving South Florida municipalities, we have developed an audit approach tailored specifically for the City, with particular consideration for your controls, systems and personnel resources. This approach would be further refined every year after discussions with City staff and as we get to know the City better.

### **Single audit approach**

#### **Major program determination**

The City had four major federal programs and state projects in FY 2015 that required auditor testing and total federal and state expenditures of approximately \$14.4 million and \$3.9 million, respectively. Each major program requires a separate opinion on compliance with federal laws, regulations, and provisions of applicable agreements. We will:

- Identify and select major federal programs or state projects under the OMB Uniform Guidance and the Florida Single Audit Act criteria
- Review management's assertions of corrective action taken with respect to previously communicated findings and use information about prior findings in connection with our assessment of risk
- Consider communications from the cognizant agency or other oversight agencies
- Communicate our approach in entrance conferences and our training program
- Consider coordination with the cognizant agency

#### **Communication around audit**

We will communicate with management about an overview of the planned scope and timing of the audit. At the conclusion of the audit, we will communicate our audit findings as described below, and will begin the audit process by meeting with management to clearly identify needs and expectations, including inquiries about risks and concerns.

We will issue three communications to provide the City comments about various aspects of your operations: 1) communication of internal control related matters; 2) management letter; and 3) audit committee/members of the City Council results of the audit communication.

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

Analytical procedures are a required part of every audit engagement under current auditing standards. The following is a summary of how we plan to use these procedures throughout our audit:

- *Planning analytics.* Analytical procedures will be used in planning the audit to (a) enhance our understanding of the City and its environment, and (b) identify risks of material misstatement. In performing analytical procedures as risk assessment procedures, we will develop expectations about plausible relationships that are reasonably expected to exist. When the relationship of the recorded amounts or ratios developed from recorded amounts yields unusual or unexpected relationships, we will consider those relationships in identifying risks of material misstatement. Accordingly we will design our audit procedures to address those risks of material misstatement.
- *Analytics as a substantive test.* Analytical procedures will be used as substantive procedures throughout fieldwork and wrap-up phase of the audit that contribute to all the objectives of substantive tests, but particularly those of existence or occurrence, valuation or allocation and completeness. The substantive analytical procedures we use focus primarily on revenues and expenses of the City.
- *Final review.* We utilize analytical procedures during our final review of the financial statements. Our objective is to consider whether any items do not meet our expectations developed during the course of our fieldwork.

## Approach to be taken to gain and document an understanding of the City's Internal control structure

During the internal control testing phase, we will develop an initial understanding of the City's internal control environment. In conducting our study and evaluation of internal accounting and administrative controls, we will:

- Perform an in-depth review of internal control documentation
- Use internal control narratives to document key flows of information
- Document our understanding of the information systems and control activities (including controls over segregation of duties, safeguarding of assets, and asset accountability) for significant accounts and classes of transactions
- Utilize our IDEA file interrogation software to make random selections for applicable tests of controls
- Evaluate audit risk for all key financial statement assertions and compliance determinations

## Approach to be taken in determining laws and regulations that will be subject to audit testwork

In accordance with *Government Auditing Standards*, we will design the audit to gather sufficient appropriate evidence related to auditee compliance with laws, regulations and provision of contracts and agreements that could have a direct and material effect on the financial statements. In addition, we will be alert to situations or transactions that could be indicative of illegal acts or abuse. Our audit procedures will include inquiry of the City's personnel, as well as a review of the Florida state law and code, along with any relevant contracts, lease agreements or other binding contracts. Our audit procedures will be designed to detect material noncompliance with the applicable provisions.

## Sample size and extent to which sampling will be used

Effective use of sampling generally allows us to achieve audit objectives in a more efficient manner. The approach we use for sampling is consistent with our professional standards and guidance found in the AICPA Audit Guide, *Audit Sampling*.

RSM does not rely solely on the results of a single procedure to reach a conclusion on an assertion relating to an account balance, class of transactions, or the operating effectiveness of controls. Rather, our audit conclusions are usually based on evidence obtained from several sources as a result of applying a number of procedures. The combined evidence obtained from the various procedures is considered in reaching an opinion about whether the financial statements are free of material misstatement.

Our professional standards provide guidance for planning, performing and evaluating audit samples. Such standards include guidance related to sampling risk, sampling in substantive tests of details, and sampling in tests of controls, as well as discussion of dual-purpose samples. This guidance also addresses sampling considerations when performing a financial statement audit—with an emphasis on testing account balances or classes of transactions that may contain misstatements—as well as testing internal control over financial reporting.

We may employ audit sampling to obtain sufficient appropriate audit evidence in a compliance audit of federal and/or state awards. It should be noted, however, that the compliance audit environment differs from sampling in a financial statement audit.

In order to meet compliance-related objectives of OMB Uniform Guidance and Florida Single Audit Act, we gather sufficient appropriate evidence related to auditee compliance with laws, regulations and the provisions of contracts or grant agreements that could have a direct and material effect on each major program. In addition to the standards and guidance referenced above, we apply the sampling guidance found in the AICPA Audit Guide, *Government Auditing Standards and OMB Uniform Guidance Audits*, when the audit is also performed to address compliance audit requirements for expenditures of federal and state awards in accordance with applicable single audit requirements.

## Section 7.0 Exhibit A

Exhibit A is located on the following pages.

**SECTION 7.0 EXHIBIT A**

**CITY OF NORTH MIAMI BEACH  
REQUEST FOR PROPOSAL**

**INDEPENDENT AUDIT SERVICES FOR THE CITY OF NORTH MIAMI BEACH  
RFP# 2016-05**

**QUESTIONNAIRE**

In addition to submitting the information as requested in this RFP, please complete this questionnaire which would standardize the information received from the various firms. This information may or may not have been included in the proposal documents submitted.

1. Name of the Certified Public Accountants:

RSM US LLP

---

2. Name and title of person authorized to represent the proposer:

Brett Friedman, Partner

---

3. Name, address and phone number of contact person in Certified Public Accountant firm:

Brett Friedman, 100 NE 3 Avenue #300, Ft. Lauderdale, FL 33301, 954.356.5721

---

4. State whether your firm is local, regional, national or international.

National

---

5. State the location of the office from which the work is to be done and the number of partners, managers, supervisors, seniors, and other audit professional staff employed at that office

Professionals from our Ft. Lauderdale and Miami offices will comprise the engagement team. The number of professionals from these offices are: Partners – 6; managers – 19; supervisors – 8; seniors – 18; staff -- 22

6. Number of professional audit staff:

a. From this office: 73

b. From all offices combined: 3,241 (as of 12/5/16)

7. Number of years the firm is in business: 90 years

8. Licensing: (as applicable)

- A. APPLICANT'S STATE OF FLORIDA DEPARTMENT OF PROFESSIONAL REGULATION LICENSE WITH APPROPRIATE BOARD NUMBER ADP 004384 (See subsequent page)  
(Attach copies of all applicable certifications to Proposer Exhibit Section)
- B. CERTIFICATIONS (IF APPLICABLE)  
Brett Friedman – Certificate (See subsequent pages)  
(Attach copies of all applicable certifications to Proposer Exhibit Section)
- C. FEDERAL EMPLOYERS IDENTIFICATION NUMBER 42-0714325
- D. Tax Identification Number (TIN) 42-0714325

RSM license with State of Florida, Department of Business and Professional Regulation

DBPR - RSM US LLP, FIRM

Page 1 of 1

10-31-08 AM 9/21/2016

**Licensee Details**

**Licensee Information**

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

License Mailing:

License Location: **ONE SOUTH WACKER DRIVE  
SUITE 800  
CHICAGO IL 60606**

County: **OUT OF STATE**

**License Information**

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

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

**Alternate Names**

[View Related License Information](#)

[View License Complaint](#)

[2801 Blair Stone Road, Tallahassee FL 32399](#) :: Email: [Customer Contact Center](#) :: Customer Contact Center: 850.487.1395

The State of Florida is an AA/EOE employer. [Copyright 2007-2010 State of Florida, Privacy Statement](#)

Under Florida law, email addresses are public records. If you do not want your email address released in response to a public records request, do not send electronic mail to this entity. Instead, contact the office by phone or by traditional mail. If you have any questions, please contact 850.487.1395. Pursuant to Section 425.275(1), Florida Statutes, effective October 1, 2012, licenses issued under Chapter 455, F.S. must provide the Department with an email address if they have one. The email address provided may be used for official communication with the licensee. However, email addresses are public record. If you do not wish to supply a personal address, please provide the Department with an email address which can be made available to the public. Please see our [Chapter 455](#) page to determine if you are affected by this change.

Brett Friedman license with State of Florida, Department of Business and Professional Regulation

DBPR - FRIEDMAN, BRETT, Certified Public Accountant

Page 1 of 1

3:58:08 PM 12/05/2016

Licensee Details

Licensee Information

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

License Location: 461 CAMERON DRIVE WESTON FL 33326
County: BROWARD

License Information

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

Special Qualifications: Qualification Effective

Alternate Names

View Related License Information

View License Complaint

2601 Blair Stone Road, Tallahassee, FL 32310 :: Email: Customer Contact Center :: Customer Contact Center: 850.487.1395

The State of Florida is an AA/ITCO employer. Copyright 2007-2010 State of Florida, Privacy Statement

Under Florida law, email addresses are public records. If you do not want your email address released in response to a public records request, do not send electronic mail to this entity. Instead, contact the office by phone or by traditional mail. If you have any questions, please contact 850.487.1395. Pursuant to Section 435.272(1), Florida Statutes, effective October 1, 2017, licensees licensed under Chapter 435, F.S. must provide the Department with an email address if they have one. The email's provided may be used for official communication with the licensee. However email addresses are public record. If you do not wish to supply a personal address, please provide the Department with an email address which can be made available to the public. Please see our Chapter 375 page to determine if you are affected by this change.

9. Are bond issues and special reports based on time and rates used for the regular audit

Yes

No

10. Will the Proposer offer brief consultations over the phone at no extra cost?

Yes

No

11. Are the audit papers available to authorized representatives of the cognizant Federal or State Audit Agency, the City and/or successor auditing firms at no extra charge?

Yes

No

12. Describe recent local and regional office auditing experience, as principal auditor, similar to the type of audit requested. List projects of comparable type, size and complexity.

Municipal Client Name	Description of Services Rendered	Project Manager	Contract Value	Fiscal Year Start/End Date	Client Contact Name	Client Contact Phone Number
City of Miami	Annual audit and federal and state single audits	Donnovan Maginley	\$2,305,000	9/30/2014 – 9/30/2018	Jose Fernandez	305.416.1324
City of Coral Gables	Annual audit and federal and state single audits	Donnovan Maginley	\$1,647,000	9/30/2004 – 9/30/2018	Diana Gomez	305.460.5275
City of Coral Springs	Annual audit and federal and state single audits	Brett Friedman	\$1,714,590	9/30/2006 – 9/30/2020	Kim Moskowitz	954.344.1092
City of Hollywood	Annual audit and federal and state single audits	Donnovan Maginley	\$1,816,000	9/30/2009 – 9/30/2015	Ernie Acosta	954.921.3228
City of Miramar	Annual audit and federal and state single audits	Brett Friedman	\$633,700	9/30/2011/-- 9/30/2016	Elaine Connors	954.602.3158

13. Describe the local office’s capability to audit computerized systems, including the number and classifications of personnel skilled in computer systems who will work on the audit.

With over 80 fulltime dedicated Information Technology (IT) audit professionals, the Risk Advisory Services Group provides a deep and well experienced base of IT assurance service providers throughout Florida and the United States. The IT audit staff assigned to this engagement hold various professional certifications

such as, Certified Information Systems Auditor (CISA), Certified Information Systems Manager (CISM), Certified Business Continuity Professional (CBCP), Certified Information Systems Security Professionals (CISSP) or various SANS GIAC security certifications. Many of our staff members also have technical certifications such as Certified Novell Engineer (CNE), Microsoft Certified System Engineer (MCSE), Cisco Certified Network Associate (CCNA) and Cisco Certified Design Associate (CCDA).

All auditors assigned have performed numerous public sector engagements throughout the State of Florida, nationally and internationally. Furthermore RSM IT auditors have completed AICPA-provided training and testing and receive additional annual update training to maintain proficiency, updates for upcoming SSAE 16 changes and other firm methodology updates.

In addition, the IT Director specifically assigned to your audit, has over 15 years of audit experience and specializes in complex integrated information system reviews. She has extensive experience serving municipalities, including the City of Miami, City of Coral Gables, City of Coral Springs and the City of Hollywood, to name a few. She is a Certified Information Systems Auditor ("CISA") providing consulting assistance to clients in almost every industry, including education, not-for-profit, government, financial services, health care and manufacturing.

14. Give a brief description of any computer-assisted techniques expected to be used in the course of the audit.

The computerized audit tools we use and will use on the City's audit are summarized below:

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

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

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

15. Describe litigation claims made against your firm. Please provide the following information.

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

As is customary within the accounting profession and other professional practices, RSM does not disclose information pertaining to legal proceedings. Settlements and regulatory activity often involve matters that are

bound by confidentiality agreements and orders that prohibit comment. However, there are no pending or actual claims that could reasonably be expected to impact our ability to serve our clients generally, or to provide the services contemplated by this proposal, specifically.

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

Name of Company filing Claim	Magnitude of the Claim (\$ Value)	Reason for the Claim		

16. Attach three (3) letters of recommendation from local government clients in which the firm served as principal auditors.

Attached please find letters of reference from three of our current clients—City of Coral Springs, City of Miramar and City of Miami, Department of Off-Street Parking



May 14, 2015

To Whom It May Concern:

The City of Coral Springs, Florida has employed McGladrey, LLP (the Firm) as the City's external auditors for the past seven years and is very satisfied with the services they have provided.

The City's services have been delivered primarily through Brett Friedman, Partner, who has been a valuable technical resource providing guidance on GASB implementations and other matters. The scheduling of on site work was done with mutual cooperation between the City and the Firm. The staff has been pleasant to work with and respectful of our time when making requests.

In addition to performing the annual audit, the Firm hosts an annual financial accounting seminar for Finance staff, has presented an informative fraud awareness seminar to City management, and provides audit services for the Coral Springs Community Redevelopment Agency.

Based on our experience detailed above, I recommend the audit services provided by McGladrey, LLP. If you would like additional information about McGladrey, LLP, please feel free to contact the Financial Services Department at 954-344-1088.

Sincerely,

A handwritten signature in blue ink, appearing to read "MP Heller", is written over a light blue horizontal line.

Melissa P. Heller  
Director of Financial Services



## CITY OF MIRAMAR

An Equal Opportunity Employer

### Mayor

Wayne M. Messam

### Vice Mayor

Darline B. Riggs

### City Commission

Winston F. Barnes

Maxwell B. Chambers

Yvette Colbourne

### City Manager

Kathleen Woods-Richardson

**"We're at the  
Center of Everything"**

**Finance Department**  
2300 Civic Center Place,  
Miramar, Florida 33025

Phone (954) 602-3028  
FAX (954) 602-3458

May 14, 2015

To Whom It May Concern:

This is a letter of professional recommendation for the firm, McGladrey LLP, Certified Public Accountants as independent external auditors. The City of Miramar has contracted with McGladrey to perform annual audits of its basic financial statements for the fiscal years ending September 30, 2011 through 2015.

We have been highly satisfied with the work produced from each of the audit engagements performed to date, as well as with McGladrey's professionalism, reliability and commitment to timeliness. Each of the last four year's audits have been delivered primarily through Brett Friedman, Partner, and Anil Harris, Manager, who has been a valuable technical resource providing guidance on GASB implementations and other matters.

The scheduling of on-site work was done with mutual cooperation between the City and McGladrey, and their staff has been pleasant to work with and respectful of our time when making requests.

Based on our experience detailed above, I recommend the audit services provided by McGladrey LLP. If you would like additional information about the Firm, please feel free to contact me at 954.602.3049.

Sincerely,

Celeste Lucia, CPA, CGFO  
Finance Director



May 7, 2014

40 NW 3rd Street  
Suite 1103  
Miami, Florida 33128

Phone (305) 373-6789  
Fax (305) 371-9451

[www.miamiparking.com](http://www.miamiparking.com)

To Whom It May Concern:

This is a letter of professional recommendation for the firm, McGladrey LLP, Certified Public Accountants as independent external auditors. The City of Miami, Department of Off-Street Parking ("DOSP") has contracted with McGladrey to perform annual audits of its basic financial statements for the fiscal years ending September 30, 2007 through 2016. DOSP has been highly satisfied with the work produced from each of the audit engagements performed to date, as well as with McGladrey's professionalism, reliability and commitment to timeliness.

Each of the last seven year's audits have been delivered primarily through Donovan Maginley, Partner, who has been a valuable technical resource providing guidance on GASB implementations and other matters. The scheduling of on-site work was done with mutual cooperation between DOSP and the Firm and their staff has been pleasant to work with and respectful of our time when making requests.

Based on our experience detailed above, I recommend the audit services provided by McGladrey LLP. If you would like additional information about the Firm, please feel free to contact me at 305-373-6789.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Scott Simpson', is written over a horizontal line.

Scott Simpson  
Chief Financial Officer



**Mixed Sources**  
Product group from well-managed  
forests and other controlled sources  
Cert no. BIF-COC-080207  
[www.fsc.org](http://www.fsc.org)  
© 1996 Forest Stewardship Council

## Potential audit problems

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

In the event that audit problems arise, our overriding Firm philosophy towards issue resolution is the fact that the financial statements are the representation of and by the City. Therefore, we believe that as long as the City has a rational or defensible position, the City should be able to employ that accounting treatment without any negative audit impact. RSM will work with the City towards this end.

In addressing any issue, communication and timely resolution are critical. RSM prides itself in developing professional relationships and rapport with clients, which facilitate open and honest communication. Once again RSM's stance would be based on reporting meaningful information to the financial statement users. To do less would compromise our independent status.

We use the following approach to seek a mutually agreeable resolution of accounting and reporting issues.

- **Step 1** – Define and understand the issue through discussion with the City's management and verified audit information.
- **Step 2** – Make an initial assessment of the impact of alternative accounting treatments.
- **Step 3** – If the impact has significant potential, gather research which may include the following: obtain the City's research and rationale for their positions; gather additional details; draw on common practices within other Florida governments; inquire with RSM's National Office of Audit and Accounting; and utilize recognized Firm experts.
- **Step 4** – Discuss with the City's staff the Firm's preferred position and rationale.

## Proposed Segmentation of the Engagement

Based on your needs for this project, we have developed the following timeline in connection with the services. This timeline may be adjusted based on discussion with City staff.

Audit Stage	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April
<b>Planning Phase:</b>										
Entrance conference							■			
Detailed audit plan & list of PBC schedules							■			
<b>Field Work Phase:</b>										
Interim work							■	■		
Complete field work							■	■	■	
<b>Reporting Phase:</b>										
Comments on draft financial stmts									■	
Final report (CAFR)									■	
Presentation of Draft Single Audit and Management Letter									■	
Single Audit and Management Letter									■	
Exit conference										■
Presentation to City Council										■

Weekly progress meetings will be held with the Accounting Manager and/or Finance Director at the conclusion of interim work and throughout final fieldwork until issuance of the final report.

## Level of Staff and Proposed Hours by Segment

The following table summarizes each staff levels approximate hours in the various segments of the audit engagement for the City.

	<i>Partner</i>	<i>Manager</i>	<i>Supervisors &amp; Seniors</i>	<i>Staff</i>	<i>Total *</i>
<i>Planning</i>	14	34	76	88	212
<i>Fieldwork</i>	41	100	226	265	632
<i>Reporting</i>	14	34	76	88	212
<i>Total Hours by Level</i>	69	168	378	441	1,056

## **B) OVERALL BUSINESS APPROACH/INVESTMENT/PROPOSED FINANCIAL PLAN**

### ***B) OVERALL BUSINESS APPROACH / INVESTMENT / PROPOSED FINANCIAL PLAN***

*This section of the Proposal should provide information as to the overall business approach to the outlined scope of services.*

#### **Overall business approach**

The following section describes our proposed work plan. A key element of that approach is understanding the current processes, including reports and schedules you use in your monthly and annual closing process. We try whenever possible to use reports or schedules you already prepare to minimize disruption to your staff. We utilize the City's website, press releases, annual budget, prior year reports and other websites such as the Auditor General, Moodys, Electronic Municipal Market Access (EMMA) and Municode to gather necessary information without disrupting your staff.

#### ***Planning Phase***

##### ***Boot Camp***

Upon being appointed as the City's auditors we will hold an entrance meeting with the Finance Director and City Auditor. Based on that meeting we will prepare a detailed agenda for our initial kick-off meeting which we refer to as Boot Camp. Boot Camp is a robust planning process that identifies issues up front and establishes clear expectations and lines of communication. This includes all key engagement team members and key City employees who will be involved in the audit process.

##### ***Audit Plan***

We will then utilize the information obtained in the boot camp meeting and establish our client request list of items needed for interim fieldwork. We will also start the process of completing our detailed audit plan and initial risk assessments. When possible, we try to utilize reports and schedules the City already uses to minimize disruption to your staff in preparation for and during the audit.

#### ***Fieldwork Phase***

##### ***Interim Fieldwork***

In our first year as the City's auditors interim fieldwork will be focused on developing a deep understanding of the City's significant transaction cycles. Our efforts will primarily focus on the revenue, expenditure and payroll cycles for each of the City's major governmental and enterprise funds. We will also examine the business cycles for the self-insurance/risk management activities. During this phase of the audit we will request the City's internal control documentation over the major transaction cycles. We will also need access to personnel who initiate, authorize, process and record transactions in each of these cycles so we can walkthrough and truly understand the processes and key controls you have in place.

Prior to the initiation of year-end fieldwork we will schedule evaluations of the City's electronic data processes (EDP). This phase of the audit will be conducted by our Technical Risk Advisory Services group (TRAS). Evaluations of the City's EDP will focus primarily on documenting the IT environment, identifying risks to the integrity of system data, and the testing of Information Technology General Controls (i.e. security, proper access). If it is determined to be effective we may also have TRAS conduct application level testing to provide substantive audit evidence over the specified transaction cycle. For example, if we successfully conducted application level testing over water utility fund, we could place reliance on the metering and billing system which would reduce our reliance on substantive testing.

At this point we will also pull statistical and non-statistical samples of revenue and expenditure transactions for testing of controls and tests of details.

### ***Final Fieldwork***

Year-end fieldwork will consist of substantive testing of account balances in addition to the completion of control testing that was performed at interim. The following is a summary of our anticipated audit approach by audit area. However, one of the core principals of auditing is unpredictability. Accordingly, the below list is not intended to be a comprehensive list of the procedures we will perform as the City's auditors.

### **Cash and cash equivalents**

- Confirmation procedures will be performed to test the existence of cash.
- City bank reconciliations will be tested for accuracy, and cutoff procedures will be performed at the balance sheet date.
- Additionally, we will use IDEA software to test the sequential integrity of the City's check registers.
- We will also review for compliance with Florida Statutes (i.e. use of qualified public depositories).

### **Investments**

- Investment balances will be confirmed.
- Valuation testing will be performed through the use of our internal valuation specialists.
- We will also test for compliance with Florida Statutes and the City's investment policies.

### **Receivables**

- Receivable balances will be confirmed on a sample basis.
- A statistical sampling model will be used to select accounts for confirmation.
- For certain receivables, confirmations are not effective (water and waste water and sanitation receivables).
- For these types of receivables, alternative procedures will be performed.

### **Capital assets**

- Capital asset additions will be tested for existence.
- Valuation will be tested primarily through substantive procedures.
- Disposals of capital assets will be tested for proper authorization.
- If impairment of existing capital assets is indicated, we will examine management's calculation of the impairment loss.

### **Vouchers and accounts payable/due to other government agencies**

- The completeness of vouchers and accounts payable will be tested through the examination of cash disbursement registers subsequent to the City's year-end.
- If risk assessment procedures indicate a risk that recorded balances are incorrect, we will design substantive audit procedures to test the existence of those balances.
- This is often accomplished by using our IDEA software to "match" subsequent cash disbursements to the accounts payable detail.

### **Accrued salaries/accrued compensated absences**

- Accrued salaries and accrued compensated absences will be tested through the use of substantive analytic procedure designed for a high level of precision.
- Control testing will be performed over the entire payroll cycle.

### **Bonds and notes payable**

- Bonds and notes payable will be subject to confirmation procedures.
- Additionally, RSM will test compliance with debt covenants that are material to the financial statements.
- For example, RSM will test minimum debt service coverage as well as minimum debt reserve requirements.

### **Pension, self-insurance, and OPEB liabilities**

- The recorded values for pension, self-insurance, and OPEB liabilities are dependent on actuarial valuations.
- ***Our approach to auditing these valuations is one of the things that differentiates us and is threefold.***
- The first step is to provide the valuation reports to our internal subject matter experts.
- RSM actuaries will evaluate the methods used in calculating the liability as well as the assumptions used in developing the models.
- One of the items that makes us unique is having certified actuarial professionals on staff.
- Members of the audit team will then test the inputs given to the City's actuaries to determine that the City's actuarial models were based on accurate data.
- Lastly, we will evaluate the professional credentials of the City's actuaries and confirm their independence from the City.

### **Net position/fund balance**

- Equity balances will be rolled forward from the prior year and recalculated by the auditors.
- Restricted balances will be traced to external restrictions or enabling legislation.
- Committed and assigned balances will be traced to ordinances and resolutions of the City Council.

### **Revenues**

- Revenues are subject to a mixture of procedures.
- Depending on the nature of the revenue we will perform control testing, substantive analytics, and substantive tests of details.
- Typically, revenue cycles that are comprised of large numbers of transactions and follow a predictable pattern (water and waste water, sanitation, and building permits) are more efficiently tested through substantive analytics and tests of control.
- Revenue cycles that are comprised of few transactions with large values per transaction (grant revenue, sales tax, and shared revenues) are effectively tested through substantive tests of details.

**Expenditures/expenses**

- Our approach to testing expenditures/expenses is to segregate transactions by cycle.
- Our typical cycles include; payroll and related expenses, expenditures/expenses for goods and services, capital outlay, and debt service.
- Due to the volume of these transactions we generally employ dual purpose testing (control testing combined substantive tests of details) utilizing a statistical or non-statistical sampling model.
- Tests are designed to provide evidence over completeness, occurrence, accuracy, and classification.
- Any identified errors are evaluated by projecting across the population.
- Expenditure testing, where possible, will also incorporate compliance testing selections to increase efficiency.

**Compliance audits**

A substantial number of our public sector clients receive federal funds and require a single audit in accordance with OMB Circular A-133 or OMB Uniform Guidance, as applicable. Our team of professionals possesses comprehensive knowledge of accounting requirements, federal procurement regulations and cost accounting standards and their impact on organizations.

As a firm, we have performed hundreds of single audits annually and have received extensive training in governmental accounting, auditing and financial reporting. In addition, our professionals receive specialized training on the compliance requirements of OMB Circular A-133, OMB Uniform Guidance, and the use of the related compliance supplements, as applicable.

The engagement team brings in-depth knowledge of OMB Circular A-133, OMB Uniform Guidance, federal acquisition regulations, as applicable, as interpreted by government auditors, positioning them to assist you in areas such as the following:

- Advise on allowable costs
- Interface and mediate with pertinent agencies in each step of an award process
- Defend your organization from allegations by audit agencies with regard to compensation, allowable costs and allocation, and timekeeping policies
- Review allocation of fringe expenses
- Review allocation of expenses among fringe, G&A, and overhead expense pools and the propriety of the bases over which they are allocated
- Compare proposed rates with actual rates and analyze variances
- Recommend the best presentation and timing of indirect rate structure revisions
- Perform proactive government audit risk assessments including evaluation of compensation, uncompensated overtime, timekeeping practices, capitalization and expense policies, and other issues as necessary.
- Provide recommendations on best practices to improve your internal controls over grant management

We will deliver more than just an interpretation of the rules and regulations as they exist. Our professionals will give the City insight into how the federal government operates, removing the burden of having to train staff in the intricacies of government grant accounting and federal regulations.

**Reporting Phase**

The final segment of our audit plan consists of resolving any open testing, review of the audit work papers and financial statements and the issuance of our opinions. A key aspect of our audit approach is wrap up and review process. Our approach to completing the audit requires our senior team members to be in the field early and often. This means that you will see the engagement partner during the audit in your offices. We do not perform reviews remotely or “in the office”. Rather, we conduct them in real-time in your offices. This helps ensure that you will not have any late surprises that are identified by the partner reviews. This also provides for increased efficiency in the audit and makes our senior professionals available to City staff throughout the audit. We schedule the engagement to complete all reviews in the field, issue our opinions, and turn out the lights and leave the City facility, which is what we refer to as our “lights out” audit approach.

Our approach to the audit would include, at a minimum, the following reviews of the financial statements, audit reports and workpaper files:

<b>Review</b>	<b>Nature of Review</b>
Engagement Performance and Administration Review, done by in-charge	Work of all assistants in detail, including workpapers, financial statements, audit report, compliance reports and management letter
Fairness Review, done by engagement manager	All workpaper files, financial statements, audit report, compliance reports and management letter
Partner Review, done by engagement partner	Financial statements, audit report, compliance reports, management letter, workpaper files for significant and critical areas, concurrence with conclusions of engagement team
Concurring Review, done by engagement quality review partner	Financial statements, audit report, compliance reports and management letter. Workpaper files for significant and critical areas, concurrence with conclusions of engagement team.

Utilizing our wealth of understanding and experience serving municipalities, we have developed an audit approach tailored specifically for the City, with particular consideration for your controls, systems and personnel resources. Previously in the section on the audit workplan we laid out the individual areas and type of work that would be performed and provided an overview of our audit approach.

Our tailored approach has been extremely successful in helping our clients to more effectively manage risk in these litigious times. Two key reasons for this success are as follows:

- Our planning process includes extensive involvement from management to help us identify critical business and accounting issues. Your input will be incorporated into our risk assessment process, fraud risks, business changes and overall audit approach, ensuring that our audit processes are uniquely catered to your challenges. And most importantly, our intensive planning process will provide your staff with a specific understanding of what is expected of them, minimizing disruptions to everyone’s work schedule throughout the year which starts with our Boot Camp.

- We truly differentiate ourselves through a high level of partner involvement. Our senior level professionals will be involved throughout the entire process, from planning through report issuance. This will result in process efficiencies, better communication among audit staff members, and a more thorough explanation of audit result and recommendations for the future. Our strong presence in South Florida and an in-depth of resources provide you with unmatched client service.

Ultimately, our audit process allows us to issue an opinion on your audited financial statements. The City will receive a management letter as well, that goes beyond the audit and outlines detailed ideas and recommendations for improvement in various areas of your organization. These insightful recommendations are designed to help you not only achieve your objective, but also to improve the true value of the organization.

We see the quality of an audit relationship as more than a piece of paper that verified the accuracy of financial statements. We see it as an active communication between you, your financial partners and your business advisors. Our audit will offer the City more than just a report on financials—it will also serve as a valuable guide for your strategic imperatives.

### Transparency and communication

We will communicate any internal control deficiencies found during the audit. Significant deficiencies and material weaknesses will be identified in the report on internal controls. Deficiencies discovered will be reported in the management letter. We will make a written report of any irregularities or illegal acts of which we might be made aware and will report such findings immediately to the City Manager. Any nonreportable conditions which may be discovered will be reported in a separate letter to management and will be referred to in the report on compliance and internal controls.

We ensure constant communication and transparency in the audit process through the use of our web-based dashboard and project tracker. The project tracker accumulates the status of pending items, open issues and questions, any potential control deficiencies, and any other matters of audit significance. Samples of the project tracker reports are shown on the following pages:

The tasks performed are tailored specifically for each engagement. Below are samples from one of our engagements:

**RSM**

**Project Tracker**

Engagement Dashboard  
Pending PBC Items

Project Name	City of	Planned Start	July 21, 2015
Project Manager	Brett Friedman	Planned End	February 27, 2016

Activity Summary as of: **November 1, 20XX**

Activities	Planned Start	Planned End	Actual % complete	Remaining % to complete
Capital Asset	November 21, 2015	December 7, 2015	50%	50%
Risk Management	November 21, 2015	December 7, 2015	75%	25%

Listing of PBC Items or other open points not provided:

Transaction Cycle	# of PBC items pending	PBC Item Pending	Date
Capital Asset	2	C3 & C4	01/12/2016
Risk Management	1	FM2	01/12/2016
<b>Total</b>	<b>3</b>		

Listing of upcoming PBC Items due:

Transaction Cycle	PBC Item	Due Date
Treasury	T1 - Bank Reconc for all cash accounts as of 12/31/15	12/31/15
Treasury	T2 - Bank statements for Sept, Oct, Nov 2015	12/31/15
Treasury	T3 - Investment schedule of unrealized gains and losses	12/31/15
Treasury	T4 - Reconcil cash work sheet	12/31/15
Treasury	T5 - Roll forward of long-term and short-term debt	12/31/15

Engagement Dashboard										
Task / Activity	Date Requested	Due Date	Work Status				Issues/ Exceptions noted	Comments		
			Date Received	Staff Prepared	In-charge review	Mgr Review			Partner Review	
<b>Final PBC Items</b>										
<b>Capital Assets</b>										
C1 - Capital Asset Schedule Roll forward including additions, deletions and related accumulated depreciation as of 9/30/15	07/02/2015									
C2 - Capital Assets Schedule and Accumulated Depreciation details as of 9/30/15	07/02/2015									
C3 - Support voucher for purchases of Capital Assets, and related board resolutions, if applicable	07/02/2015									
C4 - Analysis of interest capitalization costs	07/02/2015									
<b>Risk Management</b>										
RM1 - Liability self insurance actuarial report	07/02/2015									
RM2 - Summary loss report	07/02/2015									
RM3 - Open end closed paid claims provided to actuary	07/02/2015									
RM4 - Health self insurance claims lag analysis to reserve	07/02/2015									
<b>Treasury</b>										
T1 - Bank reconciliation for all cash accounts as of 9/30/15	07/02/2015									
T2 - Bank statements for Sept., Oct., Nov 2015	07/02/2015									
T3 - Investment schedule of unrealized gains and losses										
T4 - Restricted cash worksheet	07/02/2015									
T5 - Roll forward of long-term and short-term debt	07/02/2015									
<b>Accounts Payable</b>										
AP1 - Check registers from Oct 1 through November 23, 2015 (additional check runs will be requested till the end of February date)	07/02/2015									
AP2 - AP detail as of 9/30/15	07/02/2015									
<b>Single Audit</b>										
SA1 - Schedule of expenditures of federal awards	07/02/2015									
6 - A schedule of future maturities for outstanding debt (5 year debt payout schedule)	07/02/2015									

We have also included sample formats for required reports in the Appendix.

### Statistical sampling

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

Audit sampling will normally be used in audits of governmental units to perform the following kinds of test of compliance:

- Compliance tests of internal accounting control procedures that we plan to rely on to reduce the scope of planned substantive tests.
- Compliance tests to provide reasonable assurance that internal control (accounting and administrative) procedures used in administering federal and state financial assistance programs, if any, are being applied as prescribed

For the audit of the City's financial statements, we anticipate wherever possible performing dual purpose testing and testing compliance and controls simultaneously to be more efficient. Our compliance samples will be driven by the inherent and control risk of each major program or project using the AICPA recommended sample sizes.

### Successor auditor communication

We will comply with professional standards regarding inquiries of successor auditors and access to our working papers.

## Fees

### **We invest in building a relationship**

Because we want to invest in building a relationship with the City, we absorb the first-year costs of gathering historical information, building permanent files and understanding your accounting system and business objectives. We estimate these costs to be approximately 80 hours of time or roughly \$17,200.

### **Significant changes in your business**

Significant changes in the nature and scope of your business will result in annual professional fee increases. Significant changes may include unpreparedness on the part of the City; material changes in financial reporting; an unusual number of adjustments to the financial statements; and changes in the scope of work due to regulations, audit or accounting standards, or income tax laws.

### **Administrative expense**

Our fees for the services described above are based upon the value of the services performed and the time required by the individuals assigned to the engagement plus directly billed expenses, including report processing, travel, meals, and fees for services from other professionals, as well as a charge of 5 percent of fees for all other expenses, including indirect administrative expenses such as technology, research and library databases, communications, photocopying, postage and clerical assistance.

Should it be necessary to extend the scope of our services due to unpreparedness on the part of the City, significant accounting revisions requiring multiple adjusting journal entries, or other significant changes in the nature and scope of the engagement, we will bill for these additional services based on our standard hourly rates. We will contact you to discuss these items before proceeding with any out-of-scope work.

Our acceptance of this engagement is subject to completion of our acceptance procedures. Provided that the additional requirements do not significantly alter the scope of services, we will help ensure the City remains compliant without any additional costs.

Please see the following pages for the required Section 4.0 Price Proposal table.



**Rates for Additional Professional Services**

If it should become necessary for the City of North Miami Beach to request the auditor to render any additional services to either supplement the services requested in this RFP or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between City and the firm. Any such additional work agreed to between City and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the dollar cost bid.

**Manner of Payment**

Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with our sealed dollar cost bid proposal. Interim billing will cover a period of not less than a calendar month.

The undersigned hereby confirms that I am entitled to represent the firm, empowered to submit the bid and authorized to sign a contract with the City of North Miami Beach, Florida.

Signature of Official: 

Name (typed): Brett Friedman

Title: Partner

Firm: RSM US LLP

Date: December 7, 2016

**END OF SECTION**

## C) FIRM QUALIFICATIONS AND EXPERIENCE

### C. FIRM QUALIFICATIONS AND EXPERIENCE

*This section of the Proposal should give a description of the firm, including the size, range of activities, etc. Particular emphasis should be given as to the firm-wide experience and expertise in the provision of services requested herein.*

RSM US LLP is the leading provider of audit, tax and consulting services focused on the middle market, with more than 9,000 people in 86 offices nationwide. We are a licensed CPA firm and the U.S. member of RSM International, a global network of independent audit, tax and consulting firms with more than 38,300 people in over 120 countries. RSM uses its deep understanding of the needs and aspirations of clients to help them succeed. RSM is not proposing as a joint venture or consortium.



### Local support with national public sector resources

In selecting a firm to perform your independent auditing services, the City should expect both staff accessibility, as well as a substantial public sector practice to support your full range of needs, current and emerging.

As a firm that embraces such a service model, we find this combination promotes value through perspective and efficiency that can only come through serving hundreds of entities like yours. For the City, this translates to minimal time commitment on your part to assimilate our staff—who will come to the engagement with the level of experience and education necessary to perform their work efficiently.

In addition, your engagement primarily will be staffed with professionals from our Miami and Fort Lauderdale offices with additional support as needed. We look forward to leveraging this proximity to provide a high level of personal attention throughout the engagement and whenever you need us during the year. **We are the largest firm serving South Florida governments and have the largest government audit practice in South Florida. This gives us an unmatched level of resources and experience in serving the needs of South Florida governments.**

## State and local government experience

As a national firm, RSM serves the audit, compliance and consulting needs of over 800 governmental entities. Our governmental clients include cities and towns, utilities, counties, school districts, housing authorities, redevelopment agencies and transportation authorities. This translates into considerable knowledge of the unique challenges faced by government organizations.

We understand that current economic conditions demand state, county, city, municipal and special purpose governments to do more with less and recognize your need to shift priorities in response to fluctuations in local, state and federal funding.

As a firm, we have committed resources to help our government clients address these challenges and anticipate future changes. The City will have the benefit of dedicated resources that closely monitor public sector developments and provide regular communications on important accounting, regulatory, and tax pronouncements and other matters pertinent to our state and local government clients.

You also will have access to support for your full range of needs. Available services that may be of interest to the City include:

- Financial and compliance audits
- Operational reviews
- Internal control reviews
- Information systems consulting
  - Needs assessment
  - Cyber security and vulnerability testing
  - System design and selection
  - Disaster recovery
  - Project management
  - Security
- Long range planning and financial analysis
- Cost of service studies
- User charge / rate analysis
- Accounting policies and procedures manuals
- Construction cost reviews
- Accounting assistance
- Litigation support services

## Qualifications to instill confidence

We appreciate the economics and politics facing our public sector clients as they manage funding and protect resources and the public interest—and believe the following qualifications are critical in serving them:

- *Capable.* Our accounting, technology, project management and risk advisory capabilities are separate, yet integrated disciplines. RSM is uniquely positioned to help government agencies meet responsibility and accountability expectations. We help develop the environment needed to provide the technical, regulatory and cultural changes necessary for success.
- *Proven.* We serve more than 800 federal, state and local government units. Our experience across multiple and varied industries means RSM responsively delivers proven technology, accountability, compliance and transparency required in the current challenging government environment.

- *Informed.* RSM government service specialists leverage business experience at local levels and are informed about market conditions, industry issues and business trends that may affect federal agencies, as well as state and local governments.
- *Experienced.* RSM clients vary in size and complexity, with budgets ranging from two million to multi-billion dollars, and include ports, cities, counties, towns, school districts, authorities, agencies, colleges and universities, each of whom have turned to RSM for a host of financial management and technology solutions.
- *Innovative.* RSM fully understands the challenges of the public sector. We have established a reputation for developing innovative products and services that help our clients protect public interest.

## Positioned to serve the City

The City needs to entrust its audits to a firm with strong credentials and capabilities in serving the public sector. RSM handles the audit and compliance needs of more than 800 government entities and organizations. **In South Florida, we serve more large municipalities and government entities like the City than any other firm.**

In addition to an engagement team that brings over 60 years of public accounting experience, and leadership with an average of over 20 years of experience, we believe the City will benefit from the following:

- *Dedicated government practice.* RSM has a national practice focused solely on serving governmental organizations. This enables us to leverage our experience across multiple clients throughout the country and identify trends and industry practices from a diverse national client base. In contrast, access to diverse experience and insight can be rather limited at “local” firms that do not have a national presence.
- *Resources.* Our national government industry practice includes more than 140 partners and principals who are dedicated to handling the needs of public sector entities, plus hundreds of individuals at varying levels of experience. We also have resources dedicated to the timely communication of relevant information affecting business in general and our client’s industries in particular. A sampling of our publications which are available to clients and friends of the firm include:
  - ***Muse*** – a quarterly newsletter for government and not-for-profit entities to keep them abreast of the latest industry news and information featuring topics such as risk assessment, benchmarking and audit committee effectiveness.
  - ***National A&A Insights*** – an electronic newsletter covering the latest in audit and accounting developments relevant to all industries.

As our client, the City will have access to a variety of technical and advisory publications that cover information about current events and changes in laws and regulations. The following are examples of communications available to you:

- ***Financial Reporting Insights.*** A biweekly resource for recent financial reporting developments and practice issues.
- ***RSM Tax Digest.*** A monthly newsletter highlighting tax developments of interest to today’s organizations.
- Educational webcasts and seminars. We offer frequent virtual and in-person presentations on topics of importance to our clients
- *Government audit experience.* RSM has strong experience across the entire range of the public sector, serving more than 800 public sector clients annually. Having our professionals dedicated to a particular industry promotes awareness of current trends, legislative changes, technological developments, and issues pertinent to your industry.

- *Excellence.* We have assisted many clients in earning the GFOA Certificate of Achievement for Excellence in Financial Reporting. Our teams include professionals that are designated reviewers for the GFOA Certificate of Achievement Program, ensuring you will receive the most comprehensive guidance.
- *Value.* Through specialization within the public sector, we create meaningful value for clients through a strong knowledge base and efficient audit processes. With these credentials in the City's corner, your stakeholders can be confident that your audit is conducted in accordance with applicable professional standards.

## Local presence

**RSM's Florida practice professional staff by classification follows:**

Florida Practice		
Employee Class	Total Number	Public Sector Staff
Partners	31	5
Directors/Managers	87	8
Supervisors/Senior Associates	115	12
Associates	110	20
<b>Total</b>	<b>343</b>	<b>45</b>

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

The engagement team will consist of two partners, one manager, one senior and several staff members on a full-time basis. You will also have access to various technical personnel including resource partners, actuarial and information technology consultants, government contracting consultants and National Audit and Accounting Office personnel, should the need arise. All of our staff are employed full-time and would work on the City on a full-time basis. See Section D) Experience of key personnel for a listing of the specific team members assigned to serve the City.

## Licensure

RSM has been providing CPA services worldwide for nearly 90 years, and we have been licensed in Florida since 1984. Our firm and all its professionals are licensed to practice in the State of Florida. Our engagement team members have performed continuous CPA services in excess of five years. Additionally, professionals from manager level up are members of the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants. We are the leading provider of public sector audit services in South Florida and bring that extensive experience and large local team to help the City. Nationally, we serve over 2,700 public sector organizations including more than 800 government entities.

## Peer review

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

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

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

After 50 years of operating as a member of the RSM International network, our firm (formerly McGladrey LLP) united with these fellow firms, effective October 26, 2015, under a common name and global brand: RSM. The peer review report included in the Appendix was issued prior to this name change.

## Federal or state reviews

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

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

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

## Representation on standard-setting bodies

The City wants to be informed and understand the impact of regulatory challenges, and needs an auditing firm with a deep level of involvement with standard-setting bodies.

We require all professionals who are CPAs to be members of the American Institute of Certified Public Accountants (AICPA), and we actively participate on various AICPA committees, task forces and expert panels, including the AICPA Board of Directors, Auditing Standards Board, Professional Ethics Executive Committee, National Peer Review Committee, and Governmental Audit Quality Center and Employee Benefit Plan Audit Quality Center Executive Committees. This participation provides immediate, first-hand knowledge of proposed and final standards and other developments affecting our clients and audit quality. RSM also has provided technical review services to the AICPA for a number of industry-related audit and accounting guides, risk alerts and other publications.

Brian Schebler, RSM national director of public sector services, currently chairs the AICPA Governmental Audit Quality Center Executive Committee, where he is an initial and multi-term member. He is also a member of the AICPA Practice Monitoring Task Force - A-133 Subgroup. He is serving his third term as a member of the Comptroller General of the United States Advisory Council on Government Auditing Standards and as is our firm's Single Audit Roundtable representative. He frequently presents training on behalf of the AICPA, serves as a member of industry-related task forces, assists with industry related publications, and is a former initial and multi-term member of the AICPA State and Local Government Industry Expert Panel. Currently, RSM partner Linda Abernethy serves on the AICPA State and Local Government Expert Panel.

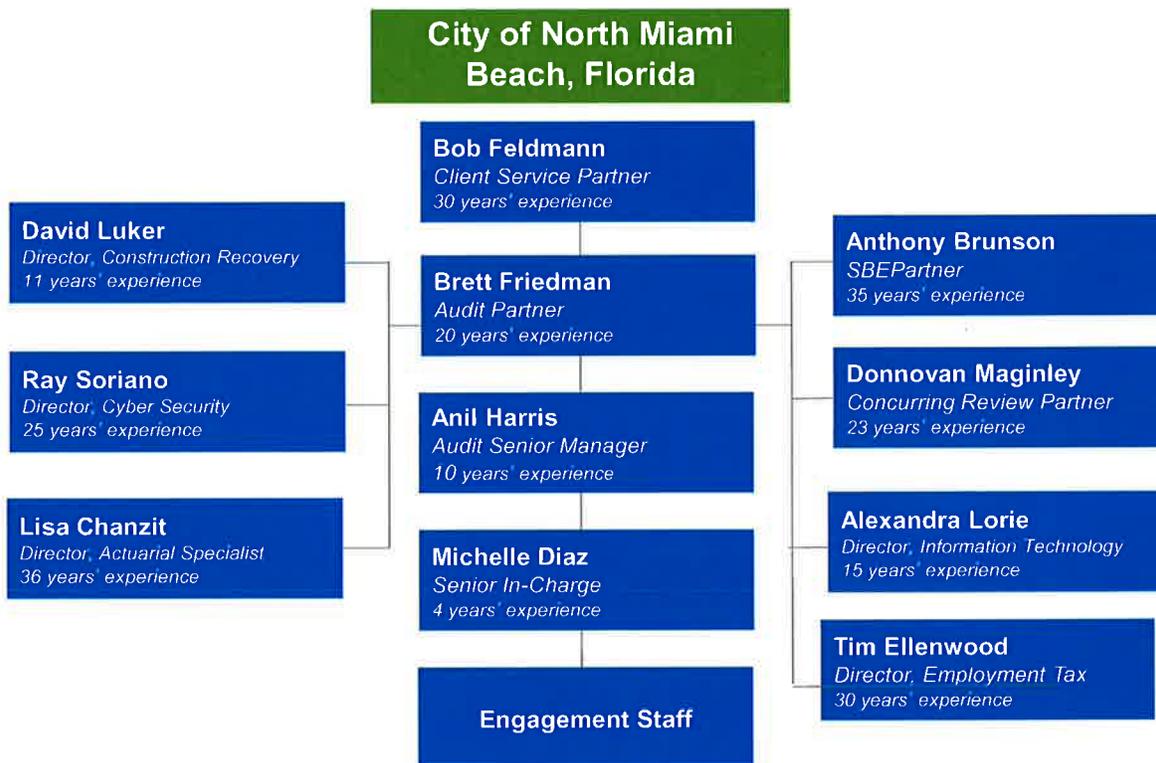
**Evidence of membership in good standing of key team members for this engagement are provided in the Appendix.**

## D) EXPERIENCE OF KEY PERSONNEL

### D) EXPERIENCE OF KEY PERSONNEL

This section must also identify the contact person and supervisory personnel who will be assigned to perform the work dictated by the contract. Resumes of each person should be provided with emphasis being given to their experience, track record and training in similar work.

The following organization chart and table briefly describes the qualifications of the proposed team, their roles and the value they will bring to the City. Detailed biographies containing each team member's formal education and professional affiliations are included in the Appendix to this proposal.



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

Team member	Experience	Role and value to the City
<p><b>Donnovan Maginley, CPA</b> Concurring Review Partner</p>  <p>donnovan.maginley@rsmus.com</p>	<p>Donnovan has more than 23 years of audit experience, focusing on the public sector. He has managed and supervised audits of very large and complex municipal engagements, most recently implementing GASBs 54, 67 and 68. A sample of Donovan's Florida public sector clients have included:</p> <ul style="list-style-type: none"> <li>• City of Coral Gables</li> <li>• City of Cooper City</li> <li>• City of Hollywood</li> <li>• City of Miami</li> <li>• City of Miami Beach</li> <li>• City of Miami Springs</li> <li>• City of North Miami</li> <li>• City of Palm Beach Gardens</li> <li>• City of Pembroke Pines</li> <li>• City of Pompano Beach</li> <li>• City of Sunrise</li> <li>• Broward County</li> <li>• Miami-Dade County</li> <li>• Miami-Dade County Seaport</li> <li>• Miami-Dade County Solid Waste</li> <li>• Miami-Dade County Transit</li> <li>• Palm Beach County</li> <li>• School Board of Miami-Dade County</li> <li>• School District of Palm Beach County</li> <li>• University of Miami</li> </ul>	<p>As the engagement concurring review partner, Donovan will provide advice and consultations regarding complex accounting matters, assist the engagement team in audit matters, and will be responsible for ensuring that reports issued by the firm comply with professional standards. Donovan's years of experience and diverse list of clients served will make him a valuable technical resource for the City.</p>
<p><b>Tony Brunson, CPA</b> Joint Venture Firm Partner</p>  <p>abrunson@abcpasolutions.com</p>	<p>Tony has more than 35 years of experience providing audit and consulting services to governmental and not-for-profit clients and is recognized as a governmental industry expert. He is a certified public accountant licensed to practice in the State of Florida. A sample of Tony's Florida public sector clients have included:</p> <ul style="list-style-type: none"> <li>• City of Miami</li> <li>• City of Miami Gardens</li> <li>• City of Fort Lauderdale</li> <li>• City of North Miami Beach</li> <li>• Miami-Dade Clerk of Courts</li> <li>• Miami-Dade County</li> <li>• Bal Harbour Village</li> <li>• Town of Medley</li> <li>• Broward County</li> <li>• South Florida Water Management District</li> <li>• State of Florida</li> <li>• Broward Clerk of Courts</li> <li>• City of Miami General Employees &amp; Sanitation Employees Retirement Trusts</li> <li>• Miami-Dade County School Board</li> <li>• Broward County School Board</li> <li>• Fort Lauderdale University</li> </ul>	<p>As a small business entity partner, Tony will assist in the audit of the City and will help ensure that all services are provided in a timely and efficient manner</p>

Team member	Experience	Role and value to the City
<p><b>Anil Harris, CPA</b> Audit Sr. Manager</p>  <p>anil.harris@rsmus.com</p>	<p>Anil has more than 10 years of experience serving clients in the not-for-profit, governmental and education sectors. He focuses on performing audits in accordance with Government Auditing Standards, OMB Circular A-133, Federal Single Audit Act, Florida Single Audit Act, and the Rules of the Auditor General of the State of Florida. Anil is a certified public accountant licensed to practice in the State of Florida. A sample of Anil's Florida public sector clients have included:</p> <ul style="list-style-type: none"> <li>• City of Coral Gables</li> <li>• City of Miami</li> <li>• City of Miramar</li> <li>• City of Coral Springs</li> <li>• City of Hollywood</li> <li>• City of Coconut Creek</li> <li>• City of Jacksonville</li> <li>• Glades County</li> <li>• Miami-Dade County</li> <li>• Palm Beach County</li> <li>• School Board of Miami-Dade County</li> <li>• School District of Palm Beach County</li> </ul>	<p>As engagement senior manager, Anil will focus on coordinating the audit efforts to maximize the efficiency of our audit approach. He will also be responsible for addressing the complex audit and accounting areas.</p>
<p><b>Michelle Diaz</b> Senior In-Charge</p>  <p>michelle.diaz@rsmus.com</p>	<p>Michelle has over four years of public accounting experience. She focuses primarily on cities, counties, school districts and nonprofit organizations. A sample of Michelle's public sector clients have included:</p> <ul style="list-style-type: none"> <li>• City of Coral Springs</li> <li>• City of Deerfield Beach</li> <li>• City of Hollywood</li> <li>• City of Miami Beach</li> <li>• City of Miramar</li> <li>• City of Pompano Beach</li> <li>• City of West Palm Beach</li> <li>• Miami-Dade School Board</li> <li>• Miami-Dade County</li> </ul>	<p>Michelle will serve as the in-charge on the engagement and will serve as the key liaison between the City and RSM staff members in a manner to help ensure the information flow from the client to the audit team is efficient. She will also facilitate the engagement fieldwork on a day-to-day basis.</p>
<p><b>Tim Ellenwood</b> Director Employment Tax</p>  <p>tim.ellenwood@rsmus.com</p>	<p>Tim is a state and local tax professional with more than 30 years of experience. He specializes in federal, state, and local employment tax matters. Tim regularly consults with organizations and multistate taxpayers in addressing technical issues in the areas of payroll reporting and processing, unemployment taxation and reporting requirements for independent contractors.</p>	<p>Tim will serve as the tax specialist on the City's audit. As part of our overall risk assessment, Tim will help evaluate if there are any tax exposures the City has been subjected to and is available to assist as needed with any payroll or employment tax related questions the City may have.</p>

Team member	Experience	Role and value to the City
<p><b>Ray Soriano</b> Cyber Security Director</p>  <p>ray.soriano @rsmus.com</p>	<p>Ray is a senior cybersecurity expert. He has over 25 years of proven leadership, risk management and consulting experience. Ray has been successful in leading and overseeing large-scale global design, implementation, and optimization initiatives that meet critical business objectives.</p>	<p>Ray specializes in complex cyber security reviews. He will serve as the cyber security consultant to identify any security risks, creating options and implementing solutions for the City.</p>
<p><b>David Luker</b> Construction Recovery Specialist</p>  <p>david.luker @rsmus.com</p>	<p>David has over 11 years in public accounting experience that includes: planning and managing construction closeout audits, facilities and construction internal audits, contract compliance engagements, and other consulting services. He is responsible for project management, risks and controls, business process analysis, contract compliance services, risk management, and forensic investigations. David has led teams on construction audit projects throughout Florida and nationwide. He is 100% dedicated to risk advisory services within the construction industry, predominantly consisting of higher education, public sector, government and school district construction auditing. A sample of David's public sector clients have included:</p> <ul style="list-style-type: none"> <li>• The State of Florida</li> <li>• University of Central Florida</li> <li>• Brevard County</li> <li>• Brevard County School District</li> <li>• Broward College</li> <li>• Broward County School District</li> <li>• City of Orlando</li> <li>• Jacksonville Aviation Authority</li> <li>• Osceola County School District</li> <li>• Prince William County, Virginia</li> </ul>	<p>David will serve as the construction management risk specialist on the City's audit. As part of our overall risk assessment, David will help evaluate if there are any audit risks associated with major construction endeavors undertaken by the City. He is also available as a resource should the City intend to enter into any major new construction activities.</p>
<p><b>Alexandra Lorie</b> Information Technology Director</p>  <p>alexandra.lorie @rsmus.com</p>	<p>Alexandra has more than 15 years of experience providing audit and consulting services to governmental and not-for-profit clients. She is a director in RSM's information Technology (IT) Risk Advisory Services and business consulting practice. A sample of Alexandra's Florida public sector clients have included:</p> <ul style="list-style-type: none"> <li>• City of Miami</li> <li>• City of Coral Gables</li> <li>• City of Coral Springs</li> <li>• City of Deerfield Beach</li> <li>• City of Hollywood</li> <li>• City of Jacksonville</li> <li>• City of Miami Beach</li> <li>• City of Miramar</li> <li>• Palm Beach County</li> <li>• Martin County</li> <li>• Miami-Dade County</li> <li>• School Board of Miami-Dade County</li> <li>• South Florida Water Management District</li> <li>• School Board of Broward County</li> </ul>	<p>Alexandra specializes in complex integrated information system (IT) reviews and is experienced at issuing confidential reports under Florida Statute exemptions. She will serve as the information technology consultant working on the review of the City's IT systems which will be relied upon as part of the audit.</p>

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

### Continuing professional education

We are committed to continuous learning and professional growth. Our Firm's competitive edge is the high level of professional competence that we provide to our clients. All employees are expected to continually maintain "state of the art" skills for client service. In order to maintain our high level of technical competence, we have continuing education programs for all partners and professional staff members, which exceed national and state standards. All of the audit professionals of RSM comply with the education requirements as set forth in *Government Auditing Standards*, published by the Comptroller General of the United States. All key members of the engagement team meet the educational requirements under Florida Statutes, Chapter 11.45.

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

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

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

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

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

RSM Employee	CPE Hours
Bob Feldmann	54
Brett Friedman	79
Donnovan Maginley	53
Anil Harris	59

Yearly, we conduct seminars for our clients and friends which have covered emerging issues in the government sector. **We will provide this training to the City, at no charge, for the life of this contract.** We also will be providing technical newsletters and webinars throughout the year to the City's accounting staff, as further discussed in Section G under value-added benefits.

### Commitment to staff continuity

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

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

If a change in key personnel should arise, partners and managers on your account will transfer specific knowledge about the City to new team members, helping to bridge any gaps and avoid interruptions in the performance of services.

As noted above, RSM makes every effort to mitigate staffing changes. However, if a change in key personnel should arise, partners and directors on your account, we will request authorization from the City to approve or reject any replacements which may be required.

## E) FIRM'S RESOURCES AND EXPERIENCE WITH GOVERNMENTAL ENTITIES

### E) FIRM'S RESOURCES AND EXPERIENCE WITH GOVERNMENTAL ENTITIES

*This section should identify the materials, equipment and any other external resources available to the proposing firm that are proposed to carry out the scope of services. If agreements with other third-party firms/solutions are to be recommended/required, they shall be detailed in this section to include any impact on timeline and price.*

#### Use of audit technology

Throughout the audit process, our computer-assisted audit techniques, leveraging CaseWare software as our audit platform, allow us to simultaneously read, review and work with all audit-related records regardless of their physical location, which reduces manual procedures. We can utilize existing schedules and electronic downloads of information, which then reduces the need to create additional schedules specifically for the audit.

As part of the audit, we utilize a program called IDEA®, which allows us to access, extract and analyze selected client information that is relevant to the audit process. IDEA® improves audit efficiency and effectiveness through the use of the following functions:

- Sampling including planning, selection and evaluation for systematic, random, stratified random, monetary unit and attribute sampling plans
- Field manipulation that allows fields to be appended for calculations and re-computations
- Field statistics that display and print statistics about any numeric or date field in the file

#### EDP audit responsibility

Our assessment of the City's internal controls will include an analysis of the controls in place over information systems. Our firm has a specialized group of professionals within our technology consulting practice who assist the financial statement auditors. This team specializes in assessing clients' overall technology platforms, as well as the general and user controls in place over significant transaction cycles. Our specialists include certified information systems auditors, certified business continuity professionals, certified information systems security professionals, and certified network engineers.

We understand the increasing complexities inherent in today's information systems and governments pervasive use of the software used by the general ledger, capital assets, accounts payable, accounts receivable, purchasing, inventory, sales order, job costing, budget and payroll applications, to conduct business and achieve your mission.

Risks identified during our assessment will be incorporated into our overall audit approach. Related recommendations will be promptly discussed with the City's management.

## Impact of information technology on the audit approach

The internal control analysis includes a review of information systems architecture and general computer controls. Throughout the audit process, our IT specialists will work directly with the audit team to learn more about the intricacies in the computer processing control environment and the integration of ancillary systems with general ledger accounting systems. Any risks identified during the assessment of Government Entity's information technology system will be appropriately incorporated into our overall audit approach and recommendations will be promptly discussed with management.

**We can also provide a wide-range of additional services far greater than that of a local or regional firm, as described earlier in Section C, under State and Local Government Experience.**

## F) CLIENT REFERENCES

### F) CLIENT REFERENCES

Proposer shall provide information that documents its ability to successfully and reliably perform the types of services required in this RFP. At a minimum, the Proposer shall provide the following:

- Demonstration that the Proposer, or the principals assigned to the project, has successfully completed services similar to those specified in the scope of services to at least two (2) entities. For each reference, include the name, title, telephone number, fax number and email address of a representative who can verify satisfactory performance. *See list of references below*
- Does your firm have other contracts for the services specified herein in Miami-Dade, Broward and Palm Beach counties? If yes, how many? How many other contracts does your firm have in the Southeast United States? *See list of clients below*
- What other contractual commitments do your key subcontractors (as applicable) have in the Miami-Dade, Broward and Palm Beach County area? *See response below*
- List of all pending lawsuits involving the corporation, partnership or individuals with more than ten percent (10%) interest that are related to the services to be provided under this RFP. *See response below on litigation*
- List of all judgments from lawsuits in the last three (3) years involving the corporation, partnership or individuals. *See response below on litigation*

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

Client name & contact information	Scope of work	Service dates	Engagement partner	Total hours
<b>City of Hollywood</b> Ernie Acosta, Financial Services Department Director +1 954 921 3228 eacosta@hollywoodfl.org	Annual audit and federal and state single audits; pension plan audits	2009 – 2015	Donnovan Maginley	2,500
<b>City of Coral Springs</b> Kim Moskowitz Controller +1 954 344 1092 kmoskowitz@coralsprings.org	Annual audit and federal and state single audits; audit of Community Redevelopment Agency	2006 – 2015	Brett Friedman	1,200
<b>City of Pompano Beach</b> Suzette Sibble Finance Director +1 954 786 4605 suzette.sibble@copbfl.com	Annual audit and federal and state single audits	2005 – 2015	Donnovan Maginley	1,200

Client name & contact information	Scope of work	Service dates	Engagement partner	Total hours
<b>City of Coral Gables</b> Diana Gomez Finance Director +1 305 460 5275 dgomez@coralgables.com	Annual audit and federal and state single audits; special reports	2004 – 2015	Donnovan Maginley	1,200
<b>City of Miramar</b> Faye Munnings Assistant City Manager +1 954 602 3116 fmunnings@miramarfl.gov	Annual audit and federal and state single audits	2011 – 2016	Brett Friedman	900

To further show the depth of experience of our team, over the last three years the following Florida governmental entities have been served by our firm:

Florida Public Sector Clients		
City of Pompano Beach	Miami-Dade County	Miami-Dade School Board
City of Hollywood	Miami-Dade Seaport Department	School District of Palm Beach County
City of Miramar	Miami-Dade Solid Waste Dept.	Brevard County School Board
City of Coral Springs	Brevard County	Broward County School Board
City of Deerfield Beach	Martin County	Indian River County School Board
City of Miami	Palm Beach County	Lake County Public Schools
Dept. of Off-Street Parking	Hillsborough County Aviation Authority	Manatee County School Board
City of Miami Beach	Florida Turnpike System	Brevard County School Board
City of Coral Gables	Jacksonville Transportation Authority	Monroe County School Board
City of Jacksonville	Jacksonville Aviation Authority	Orange County School Board
City of Palm Bay	Jacksonville Port Authority	Osceola County School Board
City of North Miami	South Florida Water Mgmt. District	Polk County School Board
City of Tamarac	Florida Department of Community Affairs	Volusia County School Board
City of Tampa	Miami-Dade County Rickenbacker Causeway	St. Johns County School Board
City of West Palm Beach		

Anthony Brunson, P.A. works with us on the Miami-Dade School Board, Broward County School Board, Miami-Dade County and the City of Miramar as our joint venture partner

## Pending litigation

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

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

**We have never had any litigation involving audits of any of our government clients and this encompasses our entire national practice.**

## G) REQUIRED FORMS, ATTACHMENTS AND VALUE-ADDED BENEFITS

- *All required Section 8.0 forms, attachments, licenses and certificates of insurance – shall be included in a labeled section.*

Please see the following pages for the completed required forms.

8.1 STATEMENT OF "NO" PROPOSAL

If your company will **not** be submitting a Proposal in response to Request for Proposals, please complete this Statement of "No" Proposals Sheet and return, prior to the RFP Due Date established within, to:

The City of North Miami Beach  
Procurement Management Division, Room 315

17011 NE 19th Avenue  
North Miami Beach, Florida 33162

This information will help the City of North Mimi Beach in the preparation of future Bids and RFP's.

Bid/RFP/RFQ Number: \_\_\_\_\_ Title \_\_\_\_\_

Company Name: \_\_\_\_\_

Contact: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_ Facsimile: \_\_\_\_\_

√	<b>Reasons for "NO" Proposal:</b>
	Unable to comply with product or service specifications.
	Unable to comply with scope of work.
	Insufficient time to respond to the RFP.
	Our schedule would not permit us to perform.
	Unable to meet insurance requirements.
	Other (Specify below)

Comments:

---



---



---



---

**8.2 ACKNOWLEDGEMENT OF ADDENDA**

---

---

**INSTRUCTIONS: COMPLETE PART I OR PART II, WHICHEVER APPLIES**

---

---

**PART I:**

LIST BELOW THE DATES OF ISSUE FOR EACH ADDENDUM RECEIVED IN CONNECTION WITH THIS RFP.

Addendum #1, Dated November 30, 2016

Addendum #2, Dated \_\_\_\_\_

Addendum #3, Dated \_\_\_\_\_

Addendum #4, Dated \_\_\_\_\_

Addendum #5, Dated \_\_\_\_\_

Addendum #6, Dated \_\_\_\_\_

Addendum #7, Dated \_\_\_\_\_

Addendum #8, Dated \_\_\_\_\_

---

---

**PART II:**

NO ADDENDUM WAS RECEIVED IN CONNECTION WITH THIS RFP.

---

---

FIRM NAME: RSM US LLP

AUTHORIZED SIGNATURE:  DATE: 12/7/16

TITLE OF OFFICER: Partner



**8.3 PROPOSAL SIGNATURE PAGE FOR CORPORATION**

The officers of the Corporation are as follows:

<u>NAME</u>	<u>ADDRESS</u>
President _____	_____
Vice-President _____	_____
Secretary _____	_____
Treasurer _____	_____
Registered Agent _____	_____

The full names and residences of stockbrokers, persons, or firms interested in the foregoing Proposal, as principals, are as follows:

\_\_\_\_\_

\_\_\_\_\_

Post Office Address	PROPOSER:
_____	_____
(CORPORATE NAME)	

\_\_\_\_\_  
PRESIDENT'S SIGNATURE AND E-MAIL ADDRESS

Is this corporation incorporated in the State of Florida?

ATTEST: \_\_\_\_\_  
SECRETARY

YES [ ] NO [ ]

If no, give address of principal place of business: \_\_\_\_\_  
\_\_\_\_\_

**8.4 PROPOSAL SIGNATURE PAGE FOR SOLE PROPRIETOR OR PARTNERSHIP**

The full names and residences of persons, partners or firms interested in the foregoing Proposal, as principals, are as follows:

Brett Friedman, Partner with RSM, 461 Cameron Drive Weston Fl. & 21420 NE 20<sup>th</sup> Avenue, Miami, Florida

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

PROPOSER

RSM US LLP  
(FIRM NAME)

Witnesses:

(SEAL)

 brett.friedman@rsmus.com  
SIGNATURE AND E-MAIL ADDRESS

Brett Friedman  
PRINT NAME

Partner  
Title (Sole Proprietor or Partner)

Post Office Address:  
100 NE Third Avenue, Suite 300

Ft. Lauderdale, FL 33301  
TELEPHONE

CITY in which fictitious name is registered.

\_\_\_\_\_  
Attach a copy of proof of registration

**8.5 DRUG-FREE WORKPLACE PROGRAM**

IDENTICAL TIE BIDS - 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 by the State or by any political subdivision for the procurement of commodities or contractual services, 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. Established procedures for processing tie bids will be followed if none of the tied vendors have a drug-free workplace program. 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 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 the employee 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 (5) 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 so convicted.
6. Make a good faith effort to continue to maintain a drug-free workplace through implementation of this section.

As the person authorized to sign the statement, I certify that this firm complies fully with the above requirements.

  
VENDOR'S SIGNATURE

Brett Friedman  
PRINTED NAME

RSM US LLP  
NAME OF COMPANY

**8.6 SOLICITATION, GIVING, AND ACCEPTANCE OF GIFTS POLICY**

Florida Statute 112.313 prohibits the solicitation or acceptance of Gifts. - "No Public officer, employee of an agency, or candidate for nomination or election shall solicit or accept anything of value to the recipient, including a gift, loan, reward, promise of future employment, favor, or service, based upon any understanding that the vote, official action, or judgment of the public officer, employee, or candidate would be influenced thereby."... The term 'public officer' includes any person elected or appointed to hold office in any agency, including any person serving on an advisory body."

The City of North Miami Beach policy prohibits all public officers, elected or appointed, all employees, and their families from accepting any gifts of any value, either directly or indirectly, from any contractor, vendor, consultant, or business with whom the City does business. Only advertising office stationery or supplies of small value are exempt from this policy - e.g. calendars, note pads, pencils.

The State of Florida definition of "gifts" includes the following:

- Real property or its use,
- Tangible or intangible personal property, or its use,
- A preferential rate of terms on a debt, loan, goods, or services,
- Forgiveness of indebtedness,
- Transportation, lodging, or parking,
- Membership dues,
- Entrance fees, admission fees, or tickets to events, performances, or facilities,
- Plants, flowers or floral arrangements

Services provided by persons pursuant to a professional license or certificate. Other personal services for which a fee is normally charged by the person providing the services. Any other similar service or thing having an attributable value not already provided for in this section. To this list, the City of North Miami Beach has added food, meals, beverages, and candy.

Any contractor, vendor, consultant, or business found to have given a gift to a public officer or employee, or his/her family, will be subject to dismissal or revocation of contract.

As the person authorized to sign the statement, I certify that this firm will comply fully with this policy.

 <hr/> SIGNATURE	Brett Friedman <hr/> PRINTED NAME
RSM US LLP <hr/> NAME OF COMPANY	Partner <hr/> TITLE

Failure to sign this page shall render your bid non-responsive.

**8.7 SOURCE OF INFORMATION**

How did you find out about this solicitation? Check all that applies.

- 1. www.Citynmb.com
- 2. www.demandstar.com
- 3. Daily Business Review
- 4. The Miami Herald
- 5. Referral/word-of-mouth  Specify Source: \_
- 6. Search Engine/Internet search
- 7. E-mail, newsgroup, online chat  Specify Source: \_
- 8. Banner or Link on another website
- 9. Flyer, newsletter, direct mail  Specify Source: \_
- Other  Specify Source: \_

*Please note: This survey form is used for internal Procurement purposes only.*

**8.8 INDEMNIFICATION CLAUSE**

The Contractor shall indemnify, defend and hold harmless the City Council, the City of North Miami Beach and their agents and employees from and against all claims, damages, losses and expenses (including attorney’s fees) arising out of or resulting from the contractor’s performance of the work, provided that any such claim, damage, loss or expense (1) is attributable to bodily injury, sickness, disease or death, or to injury to or damage to or destruction of property including the loss of use resulting there from, and (2) is caused in whole or in part by any breach or default by Contractor or negligent act or omission of the Contractor, any Subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, ~~regardless of whether or not it is caused in part by a party indemnified hereunder.~~<sup>1</sup>

RSM US LLP                      *Brett Friedman*                      12/7/16  
Proposer’s Name                      Signature                      Date

STATE OF FLORIDA  
COUNTY OF MIAMI-DADE

SWORN TO AND SUBSCRIBED before me, the under signed authority,

Brett Friedman who, after first being sworn by me, affixed his/her  
[name of individual signing]  
signature in the space provided above on this 7th day of December, 20 16



*Carol Morgan Kuzava*  
NOTARY PUBLIC

Carol Morgan Kuzava – Notary Public – State of Florida

<sup>1</sup> Note: As specified in the AICPA Code of Professional Conduct, we cannot indemnify the City for its acts as it would impair our independence. As a result we have deleted the language above which includes acts by the City. See 1.225.020.01 of AICPA Code of conduct on the next page.

## **AICPA Code of Professional Conduct**



Effective December 15, 2014.

Updated for all Official Releases through October 26, 2015

Part 1 – Members in Public Practice

letter a clause that provides that its client would release, indemnify, defend, and hold the covered member (and the covered member's partners, heirs, executors, personal representatives, successors, and assigns) harmless from any liability and costs resulting from knowing misrepresentations by management. [Prior reference: paragraphs .128-.169 of ET section 191]

- .02 Refer to the "Indemnification and Limitation of Liability Provisions" interpretation [1.400.060] of the "Acts Discreditable Rule" [1.400.001]

**1.228.020 Indemnification of an Attest Client**

- .01 Threats to compliance with the "Independence Rule" [1.200.001] would not be at an acceptable level and could not be reduced to an acceptable level by the application of safeguards if the covered member enters into an agreement providing, among other things, that the covered member indemnifies the attest client for damages, losses, or costs arising from lawsuits, claims, or settlements that relate, directly or indirectly, to the attest client's acts. The covered member's independence would be impaired under these circumstances. [Prior reference: paragraphs .204-.205 of ET section 191]

**1.228.030 Alternative Dispute Resolution**

- .01 A covered member may include in an engagement letter a provision to use alternative dispute resolution (ADR) techniques to resolve disputes relating to past services (in lieu of litigation). Threats to compliance with the "Independence Rule" [1.200.001] would be at an acceptable level and independence would not be impaired because the covered member and attest client would not be in positions of material adverse interests due to threatened or actual litigation.
- .02 The covered member should exercise professional judgment when rendering current services, regardless of the existence of the provision. [Prior reference: paragraphs .190-191 of ET section 191]
- .03 If ADR techniques are included to resolve a dispute with the attest client, threats to compliance with the "Independence Rule" [1.200.001] would be at an acceptable level when the ADR techniques are designed to facilitate negotiation, and the conduct of those negotiations does not place the covered member and the attest client in positions of material adverse interests. Independence would not be impaired under these circumstances. If, however, the ADR proceedings are sufficiently similar to litigation (as in the case of binding arbitration), an adverse interest threat may exist and place the covered member and the attest client in a position of material adverse interests. Under such circumstances, the member should apply the guidance under the "Appl. of Impaired Litigation" interpretation [1.200.010] of the "Independence Rule." [Prior reference: paragraphs .192-.193 of ET section 191]

**1.230 Fees**

A nonauthoritative question and answer regarding pro bono and below cost fees is available in the Ethics FAQ at [www.aicpa.org/InterestAreas/ProfessionalEthics/Resources/Tools/DownloadableDocuments/Ethics-General-FAQs.pdf](http://www.aicpa.org/InterestAreas/ProfessionalEthics/Resources/Tools/DownloadableDocuments/Ethics-General-FAQs.pdf).

**1.230.010 Unpaid Fees**

- .01 The existence of unpaid fees to a covered member for professional services previously rendered to an attest client may create self-interest, undue influence, or adversely threaten the covered member's compliance with the "Independence Rule" [1.200.001]
- .02 Threats to the covered member's compliance with the "Independence Rule" [1.200.001] would not be at an acceptable level and could not be reduced to an acceptable level by the application of safeguards if a covered member has unpaid fees from an attest client for any previously rendered professional service provided more than one year prior to the date of the current-year report. Accordingly, independence would be impaired. Unpaid fees include fees that are unbilled or a note receivable arising from such fees.

**8.9 SWORN STATEMENT PURSUANT TO SECTION 287.133 (3) (a), FLORIDA STATUTES, ON****PUBLIC ENTITY CRIMES**

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

1. This sworn statement is submitted to the **CITY OF NORTH MIAMI BEACH, FLORIDA**

By: Brett Friedman, Partner  
*(print individual's name and title)*

For: RSM US LLP  
*(print name of entity submitting sworn statement)*

whose business address is: 100 NE Third Avenue #300, Ft. Lauderdale, FL 33301

and (if applicable) its Federal Employer Identification Number (FEIN) is: 42-0714325

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

2. I understand that a "public entity crime" as defined in Paragraph 287.133 (1)(g), Florida Statutes, means a violation of any state or federal law by a person with respect to and directly related to the transaction of business with any public entity or with an agency or political subdivision of any other state or of the United States, including but not limited to, any bid or contract for goods or services to be provided to any public entity or an agency or political subdivision of any other state or of the United States and involving antitrust, fraud, theft, bribery, collusion, racketeering, conspiracy, or material misrepresentations.
3. I understand that "convicted" or "conviction" as defined in Paragraph 287.133 (1) (b), Florida Statutes, means a finding of guilt or a conviction of a public entity crime, with or without an adjudication of guilt, in any federal or state trial court of record relating to charges brought by indictment or information after July 1, 1989, as a result of a jury verdict, non-jury trial, or entry of a plea of guilty or non contendere.
4. I understand that an "affiliate" as defined in Paragraph 287.133(1)(a), Florida Statutes, means:
1. A predecessor or successor of a person convicted of a public entity crime; or
  2. An entity under the control of any natural person who is active in the management of the entity and who has been convicted of a public entity crime. The term "affiliate" includes those officers' directors, executives, partners, shareholders, employees, members, and agents who are active in the management of an affiliate. The ownership by one person of shares constituting a controlling interest in another person, or a pooling of equipment or income among persons when not for fair market value under an arm's length agreement, shall be a prima facie case that one person controls another person. A person who knowingly enters into a joint venture with a person who has been convicted of a public entity crime in Florida during the preceding 36 months shall be considered an affiliate.
5. I understand that a "person" as defined in Paragraph 287.133(1) (e), Florida Statutes, means any natural person or entity organized under the laws of any state or of the United States with legal power to enter into a binding contract and which bids or applies to bid on contracts for the provision of goods or services let by a public entity, or which otherwise transacts or applies to transact business with a public entity. The term "person" includes those officers, directors, executives, and partners, shareholders, employees, members, and agents who are active in management of an entity.
6. Based on information and belief, the statement, which I have marked below, is true in relation to the entity submitting this sworn statement. (Indicate which statement applies).

- Neither the entity submitting this sworn statement, nor any of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, nor any affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989.
- The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989.
- The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989. However, there has been a subsequent proceeding before a Hearing Officer of the State of Florida, Division of Administrative Hearings and the final Order entered by the Hearing Officer determined that it was not in the public interest to place the entity submitting this sworn statement on the convicted vendor list (attach a copy of the final order).

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

Brian Fild

**Signature**

Sworn to and subscribed before me this 7<sup>th</sup> day December, 2016

Personally known  \_\_\_\_\_

OR N/A – personally known Name of Notary Carol Morgan Kuzava

Produced identification N/A Notary Public – State of Florida

*Carol Morgan Kuzava*



8.10 ANTI-KICKBACK AFFIDAVIT

STATE OF FLORIDA }  
 } SS:  
COUNTY OF Broward }

I, the undersigned, hereby duly sworn, depose and say that no portion of the sum herein bid will be paid to any employees of the City of North Miami Beach, as a commission, kickback, reward or gift, directly or indirectly by me or any member of my firm or by an officer of the corporation.

By: Brett King

Title: Partner

Sworn and subscribed before this

7th day of December, 2016

Carol Morgan Kuzava  
Notary Public, State of Florida

Carol Morgan Kuzava  
(Printed Name)

My commission expires: July 24, 2019



8.11 NON-COLLUSIVE AFFIDAVIT

STATE OF FLORIDA }
} SS:
COUNTY OF Broward }

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

a) He/she is the Partner, (Owner, Partner, Officer, Representative or Agent) of RSM US LLP the Proposer that has submitted the attached Proposal;

b) He/she is fully informed respecting the preparation and contents of the attached Proposal and of all pertinent circumstances respecting such Proposal;

c) Such Proposal is genuine and is not collusive or a sham Proposal;

d) Neither the said Proposer 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 Proposer, firm, or person to submit a collusive or sham Proposal in connection with the Work for which the attached Proposal has been submitted; or to refrain from proposing in connection with such work; or have in any manner, directly or indirectly, sought by person to fix the price or prices in the attached Proposal or of any other Proposer, or to fix any overhead, profit, or cost elements of the Proposal price or the Proposal price of any other Proposer, or to secure through any collusion, conspiracy, connivance, or unlawful agreement any advantage against (Recipient), or any person interested in the proposed work;

e) The price or prices quoted in the attached Proposal are fair and proper and are not tainted by any collusion, conspiracy, connivance, or unlawful agreement on the part of the Proposer or any other of its agents, representatives, owners, employees or parties in interest, including this affiant.

Signed, sealed and delivered in the presence of:

Handwritten signature of Nadein Koval over a line, with the word 'Witness' printed below.

Witness

Handwritten signature of a second witness over a line, with the word 'Witness' printed below.

Witness

By: Handwritten signature of Brett Friedman over a line.

Brett Friedman

(Printed Name)

Partner (Title)



8.12 PROPOSER QUESTIONNAIRE

1. Today's Date: December 7, 2016

2. Name of Company Submitting Proposal: RSM US LLP

3. How many years has your firm been in business under its present business name?: since 10/26/15

Under what other former name(s) has your firm operated? I.B. McGladrey Co. (1926) Through the years the firm has had several name changes including; McGladrey, Hansen and Dunn (1957); McGladrey Hendrickson and Co. (1978); McGladrey, Hendrickson & Pullen (1984); McGladrey & Pullen (1987); McGladrey LLP (2012) and RSM US LLP (2015).

4. Have any similar agreements held by proposer for a similar project to the proposed project ever been canceled? Circle one:  No  Yes If yes, please explain: \_\_\_\_\_

5. Has the proposer or any principals of the firm failed to qualify as a responsible proposer, refused to enter into a contract after an award has been made, failed to complete a contract during the past five (5) years, or been declared to be in default in any contract in the last five (5) years? Circle one:  No  Yes If yes, please explain: \_\_\_\_\_

6. Has the proposer or any principals of the firm ever been declared bankrupt or reorganized under Chapter 11 or put into receivership? Circle one:  No  Yes If yes, please explain and give date, court jurisdiction, action taken, and any other explanation deemed necessary: \_\_\_\_\_

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. \_\_\_\_\_  
RSM license #ADP004384; Brett Friedman DBPR license #AC0027326

8. List the pertinent experience of the key individuals of your firm (continue on insert sheet if necessary):  
See resumes located in the Appendix to the proposal for detailed experience of proposed engagement team members. See also table on experience of personnel describing each team members role and value they bring to the City

9. State the name and title of the individual who will have personal management of the work: \_\_\_\_\_  
Brett Friedman, Partner; Anil Harris, Senior Manager

10. State the name and address of attorney, if any, for the firm: \_\_\_\_\_  
General Counsel's office  
200 S. Wacker Drive, Suite 3900, Chicago, IL 60606

11. State the names and addresses of all businesses and/or individuals who own an interest of more than five percent (5%) of the Proposer's business and indicate the percentage owned of each such business and/or individual: N/A No partner has five % interest in the firm

12. State the names, addresses and the type of business of all firms that are partially or wholly owned by Proposer: N/A

13. Bank references:

<u>BANK NAME</u>	<u>ADDRESS (CITY, STATE, ZIP)</u>	<u>PHONE NUMBER</u>
Bank of America	100 West 33 <sup>rd</sup> Street, New York, NY 10001	888.715.1000 ext 86080

14. Firm has attached a current Certificate of Liability Insurance?  Yes  No

15. Litigation/Judgments/Settlements/Debarments/Suspensions – Submit information on any pending litigation and any judgments and settlements of court cases relative to providing the services requested herein that have occurred within the last three (3) years. Also indicate if your firm has been debarred or suspended from bidding or proposing on a procurement project by any government entity during the last five (5) years.

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

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

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

16. Disclosure of Conflict of Interest

VENDOR SHALL DISCLOSE BELOW, TO THE BEST OF HIS OR HER KNOWLEDGE, ANY CITY OF NORTH MIAMI BEACH OFFICER OR EMPLOYEE, OR ANY RELATIVE OF ANY SUCH OFFICER OR EMPLOYEE AS DEFINED IN SECTION 112.3135, FLORIDA STATUTES, WHO IS AN OFFICER, PARTNER, DIRECTOR OR PROPRIETOR OF, OR HAS A MATERIAL INTEREST IN THE VENDOR'S BUSINESS OR ITS PARENT COMPANY, ANY SUBSIDIARY, OR AFFILIATED COMPANY, WHETHER SUCH CITY OFFICIAL OR EMPLOYEE IS IN A POSITION TO INFLUENCE THIS PROCUREMENT OR NOT.

<u>Name</u>	<u>Relationship</u>
<u>N/A</u>	

RSM US LLP  
FIRM NAME

  
SIGNATURE OF AUTHORIZED AGENT

Brett Friedman, Partner

NAME & TITLE, TYPED OR PRINTED

STATE OF Florida )  
 ) SS  
COUNTY OF Broward )

The foregoing instrument was sworn to and subscribed before me this 7th day December, 2016 by Brett Friedman who is personally known to me or produced N/A as identification.

NOTARY PUBLIC: State of Florida

Commission No. FF 213455

Print Name: Carol Morgan Kuzava

Commission Expires: July 24, 2019

SEAL

*Carol Morgan Kuzava*

(if corporation)



**8.13 PROPOSER EXPERIENCE**

Submit one form for each client reference. Understand that each client may be contacted to verify the validity of the partnership between the Proposer / Sub vendor and the client. If deemed necessary, a possible site visit will be conducted, at the sole expense of the City, to affirm the validity of the recommended vendor or solution desired.

Prime Proposer/Sub Vendor:

RSM US LLP

Client Name:

City of Coral Gables

Address:

405 Biltmore Way, Coral Gables FL 33114

Client Contact Name:

Diana Gomez

Title:

Finance Director

Phone Number:

305.460.5275

Email:

dgomez@coralgables.com

Duration of Client Relationship:

Date Started: 9/30/2004 Date Ended: 9/30/2018 for 15 Total Years

**Additional information**

Describe the services provided; provide total value of the contract, result of the project and vendors role in the project; difficulties experience during implementation or ongoing operations. If contract was terminated, state the reason for termination.

Services Provided	Total Contract Value	Result of Project	Vendors Role
Annual audit and federal and state single audits	\$1,647,000	Issuance of required reports	Prime contractor

**8.13 PROPOSER EXPERIENCE**

Submit one form for each client reference. Understand that each client may be contacted to verify the validity of the partnership between the Proposer / Sub vendor and the client. If deemed necessary, a possible site visit will be conducted, at the sole expense of the City, to affirm the validity of the recommended vendor or solution desired.

Prime Proposer/Sub Vendor:

RSM US LLP

Client Name:

City of Coral Springs

Address:

9551 W. Sample Road, Coral Springs, FL 33065

Client Contact Name:

Kim Moskowitz

Title:

Controller

Phone Number:

954.344.1092

Email:

kmoskowitz@coralsprings.org

Duration of Client Relationship:

Date Started: 9/30/2006 Date Ended: 9/30/2020 for 15 Total Years

**Additional information**

Describe the services provided; provide total value of the contract, result of the project and vendors role in the project; difficulties experience during implementation or ongoing operations. If contract was terminated, state the reason for termination.

Services Provided	Total Contract Value	Result of Project	Vendors Role
Annual audit and federal and state single audits	\$1,714,590	Issuance of required reports	Prime contractor

**8.13 PROPOSER EXPERIENCE**

Submit one form for each client reference. Understand that each client may be contacted to verify the validity of the partnership between the Proposer / Sub vendor and the client. If deemed necessary, a possible site visit will be conducted, at the sole expense of the City, to affirm the validity of the recommended vendor or solution desired.

Prime Proposer/Sub Vendor:

RSM US LLP

Client Name:

City of Miami

Address:

444 SW 2 Avenue, Miami, FL 33130

Client Contact Name:

Jose Fernandez

Title:

Finance Director

Phone Number:

305.416.1324

Email:

jfernandez@miami.gov.com

Duration of Client Relationship:

Date Started: 9/30/2014 Date Ended: 9/30/2018 for 5 Total Years

**Additional information**

Describe the services provided; provide total value of the contract, result of the project and vendors role in the project; difficulties experience during implementation or ongoing operations. If contract was terminated, state the reason for termination.

Services Provided	Total Contract Value	Result of Project	Vendors Role
Annual audit and federal and state single audits	\$2,305,000	Issuance of required reports	Prime contractor

**8.13 PROPOSER EXPERIENCE**

Submit one form for each client reference. Understand that each client may be contacted to verify the validity of the partnership between the Proposer / Sub vendor and the client. If deemed necessary, a possible site visit will be conducted, at the sole expense of the City, to affirm the validity of the recommended vendor or solution desired.

Prime Proposer/Sub Vendor:

RSM US LLP

Client Name:

City of Hollywood

Address:

2600 Hollywood Blvd., Hollywood, FL 33020

Client Contact Name:

Ernie Acosta

Title:

Division Director General Accounting

Phone Number:

954.921.3228

Email:

eacosta@hollywoodfl.org

Duration of Client Relationship:

Date Started: 9/30/2009 Date Ended: 9/30/2015 for 9 Total Years

**Additional information**

Describe the services provided; provide total value of the contract, result of the project and vendors role in the project; difficulties experience during implementation or ongoing operations. If contract was terminated, state the reason for termination.

Services Provided	Total Contract Value	Result of Project	Vendors Role
Annual audit and federal and state single audits	\$1,616,000	Issuance of required reports	Prime contractor

**8.13 PROPOSER EXPERIENCE**

Submit one form for each client reference. Understand that each client may be contacted to verify the validity of the partnership between the Proposer / Sub vendor and the client. If deemed necessary, a possible site visit will be conducted, at the sole expense of the City, to affirm the validity of the recommended vendor or solution desired.

Prime Proposer/Sub Vendor:

RSM US LLP

Client Name:

City of Miramar

Address:

2300 Civic Center Place, Miramar, FL 33025

Client Contact Name:

Faye Munnings

Title:

Assistant City Manager

Phone Number:

954.602.3116

Email:

fmunings@miramarfl.gov

Duration of Client Relationship:

Date Started: 9/30/2011 Date Ended: 9/30/2016 for 6 Total Years

**Additional information**

Describe the services provided; provide total value of the contract, result of the project and vendors role in the project; difficulties experience during implementation or ongoing operations. If contract was terminated, state the reason for termination.

Services Provided	Total Contract Value	Result of Project	Vendors Role
Annual audit and federal and state single audits	\$633,700	Issuance of required reports	Prime contractor

- *Discuss value-added benefits that set your firm apart including unique service offerings, use of technology, community services, etc. Include descriptions, letters, press releases, brochures and flyers that will assist the City in evaluating the proposal.*

### Value-added benefits

#### Publications and webcasts



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

The following are examples of communications available to you:

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

#### Timely information

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

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

#### Public sector industry updates and education

We also present on a variety of technical and industry-specific topics. Every year in South Florida we provide an 8 hour Local Government CPE Seminar, this seminar is usually attended by more than 250 local South Florida public sector professionals. This seminar is delivered by RSM professionals and provides the latest updates on technical issues and areas of interest and importance to our government clients. Past topics have included, GASB Update, internal audit optimization, cyber security, enterprise resource management, construction cost review, impact of the affordable care act and a variety of other topics. **One of the unique benefits of our annual seminar is that it brings together many of our clients from across South Florida and provides opportunities for networking with each other and sharing experiences and best practices.**

#### Accounting research

RSM offers our clients access to online research through CCH's Accounting Research Manager at our discounted rate. This web-based tool includes the *FASB Accounting Standards Codification* and guidance on many other accounting standards and applications.

## APPENDICES

Engagement Team Biographies

Peer Review

Sample Reports

Insurance Certificate

AICPA Evidence of Memberships in Good Standing

RFP List of Exceptions

## Engagement team biographies



### **Bob Feldmann**

Partner, Public Sector  
National Public Sector Assurance Leader  
RSM US LLP  
Miami, Florida  
bob.feldman@rsmus.com  
+1 305 442 8801

### **Summary of experience**

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

### **Representative client list**

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

### **Professional affiliations and credentials**

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

### **Education**

- Bachelor of Science, accounting, University of Florida
- Master of Science, taxation, University of Miami
- CFO Program, University of Minnesota Graduate School of Business



## **Brett Friedman**

Partner, Public Sector  
RSM US LLP  
Fort Lauderdale, Florida  
brett.friedman@rsmus.com  
+1 954 356 5721

### **Summary of experience**

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

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

### **Professional affiliations and credentials**

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

### **Education**

- Bachelor of Science, accounting and economics, State University of New York at Albany
- Masters of Business Administration, University of Miami



## **Donnovan Maginley**

Partner, Public Sector  
RSM US LLP  
Miami, Florida  
donna.van.maginley@rsmus.com  
+1 305 569 7986



### **Summary of experience**

Donnovan has over 20 years of audit experience and has devoted his entire career serving the public sector. Throughout his career, he has managed and supervised audits of very large and complex municipal engagements, including Miami-Dade County, Miami-Dade County Clerk of the Courts, Broward County, Lee County, and the City of Miami. His recent experience afforded him the opportunity to implement GASBs 53 and 54. Donovan has been involved in special projects that include assisting in the development of an operating budget for a municipal entity that was declared to be in a financial emergency, the preparation of comfort letters in association with various bond offerings, and the formation of an indirect cost allocation plan that aided in the allocation of applicable cost to grants. Donovan's extensive experience enables him to provide timely feedback and "best practice" recommendations relating to various accounting practices and internal control improvements. A partial listing of his government audit experience follows:

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

### **Professional affiliations and credentials**

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

### **Education**

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

**Anthony (Tony) Brunson, CPA**

Engagement Partner  
Anthony Brunson P.A. (ABPA)  
Fort Lauderdale, Florida



**Summary of experience:**

Tony is state and local specialist with more than 35 years of experience working with public entities. He ensures the quality and fiscal compliance of all governmental and not profit clientele service delivery.

Tony has managed scores of audits encompassing the non-profit/government, education, housing, transportation and construction industries. Tony is a recognized governmental industry expert and has provided certified public accounting services to governments since 1978. He has been honored as an "Outstanding Entrepreneur" and community leader on several occasions. ABPA is a member of the AICPA Government Audit Quality Center, the Government Finance Officers Association (GFOA), and Florida Institute of Certified Public Accountants (FICPA).

Tony serves as expert witness in matters involving construction claims and cost allocation methods due to his in-depth knowledge of federal and state cost theories and practices.

Tony has gained extensive experience performing economic impact studies and providing economic development consulting services to developers, governments, and community development organizations throughout South Florida, but with specific emphasis in the downtown Miami core.

Tony's representative client list includes the following:

- Miami-Dade County School Board
- Broward County School Board
- Florida Memorial University Foundation
- Fort Lauderdale University
- Bal Harbour Village
- Broward County, Florida
- Broward Clerk of Courts
- City of Miami General Employees & Sanitation Employees Retirement Trusts and other Managed Trusts
- City of Miami
- City of Miami Gardens
- Town of Medley
- City of Fort Lauderdale
- City of North Miami Beach
- Miami-Dade Clerk of Courts
- Miami-Dade County, Florida
- South Florida Regional Transportation Authority
- South Florida Water Management District
- State of Florida

**Professional affiliations and credentials:**

- Member of the American Institute of Certified Public Accountants and Florida Institute of Certified Public Accountants
- Member, Government Finance Officers Association
- Member, Mississippi Society of Public Accountants
- Member, Leadership Broward Class XVII
- Treasurer, Broward Behavior Health Coalition
- Member of Leadership Miami Alumni Association
- Chairman, Carol City Community Center Foundation
- Former Treasurer, Women in Distress
- Treasurer, Miami Homeless Coalition
- Former President, National Association of Black Accountants
- Former Treasurer, Dade Community Foundation
- Past Member, Broward Community Foundation

**Education:**

- Certified Public Accountant, Florida & Mississippi
- B.S. Jackson State University
- MBE Dartmouth College



## **Anil Harris**

Senior Manager, Public Sector  
RSM US LLP  
Fort Lauderdale, Florida  
anil.harris@rsmus.com  
+1 954 356 5730

### **Summary of experience**

Anil is a senior manager in the public sector practice focusing on government entities. His experience includes performing audits in accordance with Government Auditing Standards, OMB Circular A-133, OMB Super Circular, Federal Single Audit Act, Florida Single Audit Act, and the Rules of the Auditor General of the State of Florida.

Anil has over ten years of government auditing experience. A partial listing of his government audit experience follows:

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

### **Professional affiliations and credentials**

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

### **Education**

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



## **Michelle Diaz**

Senior Associate, Public Sector  
RSM US LLP  
Fort Lauderdale, Florida  
michelle.diaz@rsmus.com  
+1 954 356 5680

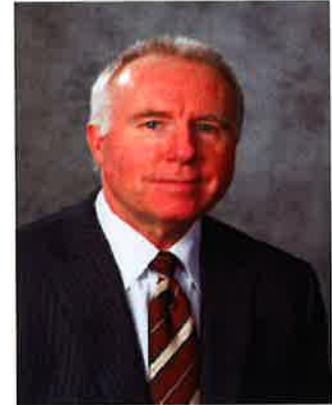
### **Summary of experience**

Michelle has over four years of public accounting experience providing financial and compliance audit and consultation services to a variety of public sector entities. She focuses primarily on cities, counties, school districts and not-for-profit organizations. A partial listing of her not-for-profit and governmental audit experience follows:

- City of Coral Springs
- City of Deerfield Beach
- City of Hollywood
- City of Miami Beach
- City of Miramar
- City of Pompano Beach
- City of West Palm Beach
- Broward County School Board
- Miami-Dade School Board
- Miami-Dade County
- Lynn University
- The John S. and James L. Knight Foundation

### **Education**

- Bachelor of Science, accounting, Barry University
- Masters, accounting, Barry University



## **Tim Ellenwood**

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

### **Summary of experience**

Tim is an Employment Tax Director. He joined RSM in 2011 and serves as an employment tax leader in the East Region.

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

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

### **Professional affiliations and credentials**

- Certified Payroll Professional
- American Payroll Association

### **Education**

- Bachelor of Science, business administration, University of Northern Colorado



## Ray Soriano

Director, Risk Advisory Services  
Cyber Security Specialist  
RSM US LLP  
ray.soriano@rsmus.com

### Summary of experience

Ray is a senior cybersecurity executive successful in leading and overseeing large-scale global design, implementation, and optimization initiatives that meet critical business objectives supported by over 25 years of proven leadership, risk management and consulting experience.

Ray is an articulate speaker, astute negotiator and problem-solver. He possesses outstanding team leadership, strategic planning, decision-making, and organizational skills and is adept at identifying security risks, creating options, and successfully implementing solutions.

His technical experience includes:

- Directories: Sun One Directory, Active Directory (LDAP v2/v3 compliant directories)
- Firewall & IDS/IPS: Checkpoint Firewall-1, NAI Gauntlet, Cisco IOS v10 - 12, Cisco PIX, Microsoft Proxy Server, Altavista firewall, Watchguard, NetScreen 100; packet filter, application level and stateful inspection type firewall technology. Network-based, host-based Intrusion and Prevention type technologies.
- HP Arcsight ESM and logger, Splunk Enterprise, IBM QRadar
- Networking Products: Cisco, Bay Networks/Nortel and 3Com
- Operating Systems: Sun Solaris 2.3-2.8, AT&T NCR SVR4 2.04, Sybase v10, HP-UX 9.X-11.X, Windows 7,8 & 10, Windows 95/98, Windows NT 3.51, 4.0 & 200x client/server, Novell 3.x & 4.x Windows 3.1/XP/Vista, DOS, Linux (variants)
- Security Applications: RSA ACE/Server and ACM1600, SeOS v1.43 & 2.0, BoKS 4.1 & 4.2, Axent Omniguard, Tripwire, Internet Security Safesuite 4.x & 5.0, NAI CyberCop, Axent Netproowler, CSP, SAT, Kane Security Analyst NT, Bindview EMS, AuditTrack, Auditware, CA Sessionwall, ISS Realsecure, Entrust PKI solutions, RACF (REL 1.9.1 & 1.9.2), OMNIGUARD, and various publicly available security software (e.g. Nmap, Wireshark/etherreal, Nessus, Proxy-based tools, etc).
- Security Information Event Management:
- Web Servers: IIS 3.0-6.0, Apache, Netscape Enterprise

### Professional affiliations and credentials

- ACE Server v3.0 Administration
- Aventail Extranet Client & Server Professional
- Bindview EMS Console & NOSAdmin for Netware & NT
- Certified Checkpoint Security Administrator (CCSA)
- Certified CheckPoint Security Engineer (CCSE)

- Certified in Risk and Information Systems Control (CRISC) - active
- Certified Information Security Manager (CISM)
- Certified Information Systems Auditor (CISA)
- Certified Information Systems Security Professional (CISSP) - active
- Certified Secure Software Lifecycle Professional (CSSLP) - inactive
- Courion AccountCourier, ProfileCourier, PasswordCourier IMS solution suite
- Deloitte & Touche: Trainer for HackERS 2000
- Netegrity SiteMinder Installation and Architecture
- Novell 3.x Administration
- Oblix NetPoint and CoreID Installation and Architecture
- PIX Firewall Administration
- RACF Administration
- Tivoli Policy Director Installation and Architecture
- UNIX System Administration
- Waveset Lighthouse Installation and Architecture
- Computer Security Institute (CSI)
- Information Systems Security Association (ISSA) Vice President, South Florida Chapter 2002-2003
- International Computer Security Association (ICSA)
- ISACA Member 2008 - present
- ISC2 Certified Information Systems Security Professional (CISSP)
- ISC2 Certified Security Software Lifecycle Professional (CSSLP)
- South Florida Chapter Infragard
- USENIX Association and Security Administrators' Guild (SAGE)

## **Education**

- Bachelor of Arts, economics, Old Dominion University



## David Luker

Director, Risk Advisory Services  
Construction Recovery Specialist  
RSM US LLP  
david.luker@rsmus.com

### Summary of experience

David has over 11 years of public accounting experience that includes: planning and managing construction closeout audits, facilities and construction internal audits, contract compliance engagements, and other consulting services. He is responsible for project management, risks and controls, business process analysis, contract compliance services, risk management, and forensic investigations. David has led teams on construction audit projects throughout Florida and nationwide. David is 100% dedicated to risk advisory services within the construction industry, predominantly consisting of higher education, public sector, government and school district construction auditing.

Prior to joining RSM, David led external audit and tax services for construction contractors at a regional accounting firm. In 2014, David was named among the Orlando Business Journal's top 40 professionals under 40 years old. A partial listing of his government audit experience follows:

- Broward College
- Broward County School District
- Brevard County
- Brevard County School District
- The State of Florida
- City of Orlando
- Jacksonville Aviation Authority
- Osceola County School District
- Prince William County, Virginia
- Swire Properties
- University of Central Florida
- Arlington County, Virginia
- Capital One Services

### Professional affiliations and credentials

- Certified Public Accountant, States of Alabama and Florida
- Alabama Institute of Certified Public Accountants
- American Institute of Certified Public Accountants

### Education

- Bachelor of Arts, accounting, Illinois State University
- Master of Business Administration, finance, summa cum laude, Illinois State University
- Master of Science, accounting, magna cum laude, Illinois State University



## Alexandra M. Lorie

Director, RAS Technology  
RSM US LLP  
Miami, Florida  
alexandra.lorie@rsmus.com  
+1 305 742 7117

### Summary of experience

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

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

### Representative client list

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

### Professional affiliations and certifications

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

### Education

- Master of Science, management information systems, Florida International University
- Bachelor of Business Administration, international finance and marketing and computer information systems, University of Miami



## **Lisa Chanzit**

Actuarial Specialist  
lisa.chanzit@rsmus.com

### **Summary of experience**

Lisa is a Director of the Actuarial Services practice in RSM's Human Capital Services unit, providing actuarial consulting services for self-insured and fully insured plan sponsors in the public and private sectors. She has over 32 years of actuarial experience. She provides actuarial support for the firm's audits of government entities, insurance companies, captives, risk pools, and self-insured corporations. A sample listing of the governmental clients Lisa has served include the following:

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

### **Professional affiliations and credentials**

- Public Risk Management Association working group on Accounting Standards and Reporting Guidelines and GASB10 Omnibus Project Committee.
- CAS Textbook Committee, Syllabus Committee, Hachemeister Prize Committee, Audit Committee, and AAA Financial Reporting Principles Committee

### **Education**

- Bachelor of Arts, mathematics and biology, University of Rochester
- Master of Science, statistics, University of Chicago.



## System Review Report

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

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

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

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

**BKD, LLP**

December 4, 2013



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

## Sample formats for required reports

Sample reports are included on the following pages.



RSM US LLP

## Independent Auditor's Report

The Honorable Mayor and Members of the City Council  
City of North Miami Beach, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of North Miami Beach, Florida (the City), as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Retirement Plan for General Employees of the City of North Miami Beach, the Retirement Plan for Police Officers and Firefighters' of the City of North Miami Beach, and the Retirement Plan and Trust for General Management Employees of the City of North Miami Beach (Employee Retirement Systems), which represent \_\_%, \_\_%, and \_\_%, respectively of the assets, net position, and revenues/additions of the aggregate remaining fund information. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Employee Retirement Systems, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of North Miami Beach, Florida, as of September 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A), budgetary comparison schedule, the schedules of changes in the net pension liability and related ratios, and schedules of city contributions, and other post-employment benefits schedule of funding progress be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary information such as the introductory section, statistical section, and combining and individual fund statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures described above, and the report of other auditors, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated \_\_\_\_\_ on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Miami, Florida  
Date

SAMPLE REPORT

**City of North Miami Beach, Florida  
Management Letter in Accordance  
With Chapter 10.550, *Rules of the  
Florida Auditor General***

For the Year Ended September 30, 2016

## Contents

---

Management Letter in Accordance with Chapter 10.550 of the <i>Rules of the Florida Auditor General</i>	1-2
Independent Accountant's Report on the Examination of the City's Compliance with Section 218.415, Florida Statutes	3

---

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

Honorable Mayor and Members of the  
City Council  
City of North Miami Beach, Florida

**Report on the Financial Statements**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of North Miami Beach, Florida (the City), as of and for the fiscal year ended September 30, 2016, and have issued our report thereon dated \_\_\_\_\_, 2017.

**Auditor's Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance); and Chapter 10.550, Rules of the Florida Auditor General. Other auditors audited the financial statements of the Retirement Plan for General Employees of the City of North Miami Beach, the Retirement Plan for Police Officers and Firefighters' of the City of North Miami Beach, and the Retirement Plan and Trust for General Management Employees of the City of North Miami Beach, as described in our report on the City's financial statements. This management letter does not include the results of the other auditors' testing of compliance and other matters that are reported on separately by those auditors.

**Other Reports and Schedule**

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Federal Program and State Project and on Internal Control Over Compliance in Accordance with the Uniform Guidance and Chapter 10.550 Rules of the Florida Auditor General and Schedule of Findings and Questioned Costs; and our Independent Accountant's Report on an examination conducted in accordance with *AICPA Standards for Attestation Engagements*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated \_\_\_\_\_, 2017, should be considered in conjunction with this management letter.

**Prior Audit Findings**

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings and recommendations made in the preceding annual financial report.

**Official Title and Legal Authority**

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

**Financial Condition**

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

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

**Annual Financial Report**

Section 10.554(1)(i)5.b., and 10.556(7), Rules of the Auditor General, requires that we determine whether the annual financial report for the City for the fiscal year ended September 30, 2016, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2016. In connection with our audit, we determined that these two reports were in agreement.

**Other Matters**

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

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

**Purpose of This Letter**

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

Miami, Florida  
Date

## Independent Accountant's Report

The Honorable Mayor and Members of  
the City Council  
City of North Miami Beach, Florida

We have examined the City of North Miami Beach, Florida's (the City) compliance with *Section 218.415, Florida Statutes, Local Government Investment Policies* during the year ended September 30, 2016. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2016.

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

Miami, Florida  
Date

SAMPLE REPORT

**City of North Miami Beach, Florida**

Single Audit Reports in Accordance with  
The Uniform Guidance and Chapter 10.550, *Rules of  
the Auditor General* of the State of Florida

Year Ended September 30, 2016

**City of North Miami Beach,**

**Florida Table of Contents**

---

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	1 – 2
Report on Compliance for Each Major Federal Program and State Project; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards and State Financial Assistance Required By The Uniform Guidance and Chapter 10.550, <i>Rules of the Florida Auditor General</i>	3-5
Schedule of Expenditures of Federal Awards and State Financial Assistance	6
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance	7
Schedule of Findings and Questioned Costs	8-10
Schedule of Prior Year's Audit Findings	11

---

**Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial  
Statements Performed in Accordance With  
Government Auditing Standards**

**Independent Auditor's Report**

To the Honorable Mayor and Members of the  
City Council  
City of North Miami Beach, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of North Miami Beach, Florida (the City), as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated \_\_\_\_\_, 2017. Our report includes a reference to other auditors who audited the financial statements of the Retirement Plan for General Employees of the City of North Miami Beach, the Retirement Plan for Police Officers and Firefighters' of the City of North Miami Beach, and the Retirement Plan and Trust for General Management Employees of the City of North Miami Beach, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Miami, Florida  
Date

**Report on Compliance for Each Major  
Federal Program and State Project; Report on Internal Control  
Over Compliance; and Report on the Schedule of Expenditures of  
Federal Awards and State Financial Assistance Required By  
The Uniform Guidance and Chapter 10.550, *Rules of the Florida Auditor  
General***

**Independent Auditor's Report**

To the Honorable Mayor and Members of the  
City Council  
City of North Miami Beach, Florida

**Report on Compliance for Each Major Federal Program and State Project**

We have audited the City of North Miami Beach, Florida's (the City) compliance with the types of compliance requirements described in the *Office of Management and Budget (OMB) Compliance Supplement* and the requirements described in the Florida Department of Financial Services *State Projects Compliance Supplement*, that could have a direct and material effect on each of the City's major federal programs and state projects for the year ended September 30, 2016. The City's major federal programs and state project are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs and state projects.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the City's major federal programs and state project based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Chapter 10.550, *Rules of the Florida Auditor General*. Those standards, the Uniform Guidance and Chapter 10.550, *Rules of the Florida Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state project. However, our audit does not provide a legal determination of the City's compliance.

### **Opinion on Each Major Federal Program and State Project**

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state project for the year ended September 30, 2016.

### **Report on Internal Control Over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program or state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Florida Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550, *Rules of the Florida Auditor General*. Accordingly, this report is not suitable for any other purpose.

**Report on the Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and Chapter 10.550, *Rules of the Florida Auditor General***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended September 30, 2016, and the related notes to the financial statements which collectively comprise the City's basic financial statements. We issued our report thereon dated \_\_\_\_\_, 2017, which contained unmodified opinions on those financial statements, and included a reference to other auditors. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the Uniform Guidance and Chapter 10.550, *Rules of the Florida Auditor General*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards and state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

Miami, Florida  
Date

**City of North Miami Beach, Florida**

**Schedule of Expenditures of Federal Awards and State Financial Assistance  
Fiscal Year Ended September 30, 2016**

***Schedule to be inserted here.***

**City of North Miami Beach, Florida**

**Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance  
Year Ended September 30, 2016**

---

**Note 1. General and Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the "Schedule") presents the activity of all federal programs and state awards of the City of North Miami Beach, Florida (the "City") for the year ended September 30, 2016. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal and state awards passed through other government agencies are included in the accompanying Schedule. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance and Chapter 10.550, *Rules of the Florida Auditor General*. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in fund balance/net position or cash flows, where applicable, of the City. The City's reporting entity is defined in Note 1 of the City's basic financial statements.

**Note 2. Basis of Accounting**

The accompanying Schedule is presented using the modified accrual basis of accounting for grants which are accounted for in the governmental fund types and on the accrual basis of accounting for grants which are accounted for in the proprietary fund types. Such expenditures are recognized following the cost principles contained in requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the Rules of the Department of Financial Services, State of Florida, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**City of North Miami Beach, Florida**

**Schedule of Findings and Questioned Costs  
Fiscal Year Ended September 30, 2016**

---

**I - Summary of Independent Auditor's Results**

**Financial Statements**

Type of auditor's report issued:		Unmodified
Internal control over financial reporting:		
Material weakness(es) identified?	_____ Yes	X    No
Significant deficiency(ies) identified?	_____ Yes	X    None Reported
Noncompliance material to financial statements noted?	_____ Yes	X    No

**Federal Awards**

Internal control over major programs:		
Material weakness(es) identified?	_____ Yes	X    No
Significant deficiency(ies) identified?	_____ Yes	X    None Reported

Type of auditor's report issued on compliance for major programs:		Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_____ Yes	X    No

Identification of major programs:

The programs tested as major were as follows:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
-----------------------	---

Dollar threshold used to distinguish between type A and type B programs:	\$	750,000
--	----	---------

Auditee qualified as low-risk auditee?	X    Yes	_____ No
--	----------	----------

(Continued)

**City of North Miami Beach, Florida**

**Schedule of Findings and Questioned Costs (Continued)  
Fiscal Year Ended September 30, 2016**

---

**Section I - Summary of Auditor's Results (Continued)**

State Financial Assistance

Internal control over major projects:

Material weakness(es) identified?	_____ Yes	_____ X No
Significant deficiency(ies) identified?	_____ Yes	_____ X None Reported

Type of auditor's report issued on compliance for major projects:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550, *Rules of the Florida Auditor General?*

_____ Yes	_____ X No
-----------	------------

Identification of major projects:

The projects tested as major were as follows:

CSFA Number(s)

Name of State Project

Dollar threshold used to distinguish between type A and type B projects:

\$ 300,000

**City of North Miami Beach, Florida**

**Schedule of Findings and Questioned Costs (Continued)**  
**Fiscal Year Ended September 30, 2016**

---

**Section II – Financial Statements Findings**

A. Internal Control

None reported.

B. Compliance

None reported.

**Section III – Federal Awards Findings and Questioned Costs**

A. Internal Control over Compliance

None reported.

B. Compliance

None reported.

**Section IV – State Financial Assistance Findings and Questioned Costs**

A. Internal Control over Compliance

None reported.

B. Compliance

None reported.

**City of North Miami Beach, Florida**

**Schedule of Prior Year's Audit Findings  
Fiscal Year Ended September 30, 2016**

---

No findings were noted for the year ended September 30, 2015.

## Insurance Certificate

A copy of our insurance certificate with appropriate level of coverage is located on the following pages.





**ADDITIONAL REMARKS SCHEDULE**

<b>AGENCY</b> Marsh USA Inc.		<b>NAMED INSURED</b> RSM US LLP One South Wacker Drive, Suite 800 Chicago, IL 60606	
<b>POLICY NUMBER</b>		<b>EFFECTIVE DATE:</b>	
<b>CARRIER</b>	<b>NAIC CODE</b>		

**ADDITIONAL REMARKS**

**THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,**  
**FORM NUMBER: 25    FORM TITLE: Certificate of Liability Insurance**

Property Deductible:

\$25,000 For each and every loss or damage to covered property to all location,  
 except \$100,000 minimum for Earthquake, Flood in all states except Florida  
 or Wind associated with a named windstorm.  
 Windstorm 5% subject to \$250K minimum.

Other property deductibles may apply as per policy terms and conditions.

## AICPA Evidence of membership in good standing

The following pages contain the AICPA membership letters of key team personnel, indicating they are in good standing with the AICPA.



American Institute of CPAs  
220 Leigh Farm Road  
Durham, NC 27707-8110

November 10, 2016

**Re: Robert Feldmann**  
**AICPA Account Number: 01536099**

To whom it may concern,

This letter is to confirm Robert Feldmann is an active Regular Member of the AICPA. Robert has been a member in good standing since March 31, 1992.

A member in good standing is an individual who has not been suspended or terminated because of disciplinary reasons. Disciplinary activities are published in the AICPA periodical, *The CPA Letter*.\*

Thank you for allowing us to be of service. Please let us know if we may be of further assistance.

Regards,

A handwritten signature in black ink that reads "Peg McIntyre". The signature is written in a cursive, flowing style.

Peg McIntyre, CAE  
Vice President, Membership  
AICPA Member Service

America Counts on CPAs.  
Member Service: 888.777.7077, 9am-6pm ET, Monday-Friday; or [service@aicpa.org](mailto:service@aicpa.org)  
Thank you for your continued support.

*\*Please note that membership in the AICPA is not verification of CPA certification.*



American Institute of CPAs  
220 Leigh Farm Road  
Durham, NC 27707-8110

November 10, 2016

**Re: Brett Friedman**  
**AICPA Account Number: 01622214**

To whom it may concern,

This letter is to confirm Brett Friedman is an active Regular Member of the AICPA. Brett has been a member in good standing since May 31, 1997.

A member in good standing is an individual who has not been suspended or terminated because of disciplinary reasons. Disciplinary activities are published in the AICPA periodical, *The CPA Letter*.\*

Thank you for allowing us to be of service. Please let us know if we may be of further assistance.

Regards,

A handwritten signature in black ink that reads "Peg McIntyre". The signature is written in a cursive, flowing style.

Peg McIntyre, CAE  
Vice President, Membership  
AICPA Member Service

America Counts on CPAs.

Member Service: 888.777.7077, 9am-6pm ET, Monday-Friday; or [service@aicpa.org](mailto:service@aicpa.org)

Thank you for your continued support.

*\*Please note that membership in the AICPA is not verification of CPA certification.*



American Institute of CPAs  
220 Leigh Farm Road  
Durham, NC 27707-8110

March 14, 2016

**Re: Donovan Maginley**  
**AICPA Account Number: 5578805**

To Whom It May Concern,

This letter is to confirm Donovan Maginley is an active Regular Member of the AICPA. Donovan has been a member in good standing since October 7, 2010.

A member in good standing is an individual who has not been suspended or terminated because of disciplinary reasons. Disciplinary activities are published in the AICPA periodical, *The CPA Letter*.\*

Thank you for allowing us to be of service. Please let us know if we may be of further assistance.

Regards,

Peg McIntyre, CAE  
Vice President, Membership  
AICPA Member Service

America Counts on CPAs.  
Member Service: 888.777.7077, 9am-6pm ET, Monday-Friday; or [service@aicpa.org](mailto:service@aicpa.org)  
Thank you for your continued support.

*\*Please note that membership in the AICPA is not verification of CPA certification.*



American Institute of CPAs  
220 Leigh Farm Road  
Durham, NC 27707-8110

November 10, 2016

**Re: Anil Harris**  
**AICPA Account Number: 4921821**

To whom it may concern,

This letter is to confirm Anil Harris is an active Regular Member of the AICPA. Anil has been a member in good standing since May 31, 2009.

A member in good standing is an individual who has not been suspended or terminated because of disciplinary reasons. Disciplinary activities are published in the AICPA periodical, *The CPA Letter*.\*

Thank you for allowing us to be of service. Please let us know if we may be of further assistance.

Regards,

Peg McIntyre, CAE  
Vice President, Membership  
AICPA Member Service

America Counts on CPAs.

Member Service: 888.777.7077, 9am-6pm ET, Monday-Friday; or [service@aicpa.org](mailto:service@aicpa.org)

Thank you for your continued support.

*\*Please note that membership in the AICPA is not verification of CPA certification.*

## RFP – List of Exceptions

---

### City of North Miami Beach, FL RFP – List of Exceptions per Section 1.0 paragraph 31

As auditors for many similar governments in South Florida, we have never in our history been unable to reach mutually agreeable conclusions on contract language and do not expect issues with any of the items noted below. However we believe in always being fully open and transparent with our clients and have therefore provided the following feedback on the terms and conditions noted in the request for proposal. We would be happy to engage in dialogue to clarify any of the comments noted below.

**Unless indicated otherwise, the purpose of all proposed exceptions are to either conform with industry professional standards, internal firm policy, or the requirements of our insurers.**

#### Section 1.0 General Terms and Conditions

18. Contractor agrees to address removal requests, solely to the extent allowed by industry professional standards.

32. Contractor agrees to provide indemnification protection to the extent any claims arise from the negligent or willful acts or omissions of Contractor in providing services as agreed to under the contract. Contractor agrees to bear any reasonable attorney's fees which may be incurred by the City under this section.

50. Contractor agrees, solely to the extent involving financial records pertaining to the services provided to the City.

52. (Throughout this section) Additional insureds shall be included via a blanket endorsement. Contractor agrees to provide automobile liability coverage in the amount of \$1,000,000 per occurrence. Contractor agrees to provide notice of any cancellation of coverage within the timeframes requested.

61A. Contractor agrees to address removal requests, solely to the extent allowed by industry professional standards.

61C. Contractor agrees to address removal requests, solely to the extent allowed by industry professional standards.

63. Contractor agrees to participate in the listed dispute resolution process, however, Contractor does not agree to be bound by any determinations or orders, or to waive any legal remedy or access to courts of competent jurisdiction available to Contractor.

64C. Contractor agrees to bear any reasonable attorney's fees which may be incurred by the City under this section.

71C. At all times Contractor's workpapers shall remain the sole property of Contractor and are not subject to the terms of this Section in accordance with industry professional standards.

72C. Contractor agrees, solely to the extent allowed by industry professional standards.

75B. ~~At~~ all times Contractor's workpapers shall remain the sole property of Contractor and are not subject to the terms of this Section in accordance with industry professional standards.

77I. Contractor requests the addition of "or any requisite professional standard" to the language of this section.

#### Section 3.0 Scope of Services

10a. Contractor agrees to provide workpaper and report access to a representative of a regulator of the City.

#### Section 7.0 Exhibit A

11. Contractor agrees to provide access to audit papers to a representative of a regulator of the City. We cannot agree to provide unlimited access to our workpapers to the City as that would impair our independence under industry professional standards. We do typically provide samples and copies of workpapers as part of the audit process to help clarify questions or requests you may have but that does not fall within this section.

#### Section 9.0 Sample Agreement

5. Contractor agrees to bear any reasonable attorney's fees which may be incurred by the City under this section.



**[www.rsmus.com](http://www.rsmus.com)**

RSM US LLP is the leading provider of audit, tax and consulting services focused on the middle market, with more than 9,000 people in 86 offices nationwide. It is a licensed CPA firm and the U.S. member of RSM International, a global network of independent audit, tax and consulting firms with more than 38,300 people in over 120 countries. RSM uses its deep understanding of the needs and aspirations of clients to help them succeed.

For more information, visit [www.rsmus.com](http://www.rsmus.com), like us on Facebook at RSM US LLP, follow us on Twitter @RSMUSLLP and/or connect with us on LinkedIn.

© 2016 RSM US LLP. All Rights Reserved