

# FAU FINANCE CORPORATION

## BOARD OF DIRECTORS

### AGENDA

Wednesday, May 21, 2014 9:00 a.m.

President's Conference Room

Boca Raton Campus, Building 10, Room 339

Call in Number: 1-888-537-7715 / Passcode: 59289651#

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1. Roll Call and Approval of the Draft Minutes of the  
December 3, 2013 Meeting of the FAUFC Board of Directors..... Mr. Anthony Barbar, Chair
2. Fiscal Year 2013-14 Financial and Operational Performance  
Report on the FAU Housing System, Boca Raton Campus..... Ms. Dorothy Russell
3. Request for Approval of the 2014-15 FAU Finance Corporation  
Operating Budget. .... Ms. Russell
4. Review of Proposals and Selection of an Auditor for FAUFC..... Ms. Russell  
Audit for Fiscal Year 2013-14.
5. Adjournment of Meeting. .... Mr. Barbar

# FAU FINANCE CORPORATION

Item: 1

## BOARD OF DIRECTORS

Wednesday, May 21, 2014

**SUBJECT: ROLL CALL AND APPROVAL OF THE DRAFT MINUTES OF THE  
DECEMBER 3, 2013 FAU FINANCE CORPORATION BOARD OF  
DIRECTORS MEETING.**

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### PROPOSED BOARD ACTION

Initiate roll call to document member participation to ensure that appropriate quorum numbers are achieved and to approve the minutes of the December 3, 2013 FAU Finance Corporation board of Directors meeting.

### BOARD MEMBERS

Mr. Anthony Barbar, Chair      \_\_\_\_

Mr. Scott Adams, Vice Chair      \_\_\_\_

Mr. Peter LoBello      \_\_\_\_

# FAU FINANCE CORPORATION

## BOARD OF DIRECTORS

### DRAFT MINUTES

Tuesday, December 3, 2014

#### 1. ROLL CALL AND APPROVAL OF THE MINUTES OF THE MAY 29, 2013 MEETING OF THE FAU FINANCE CORPORATION (FAUFC) BOARD OF DIRECTORS (BOD).

The meeting of the FAUFC BOD was convened by Mr. Anthony Barbar, Chair, at 2:02 p.m. Roll call commenced, confirming quorum, with the following members of the FAUFC BOD in addition to Mr. Barbar, participating:

Mr. Scott Adams and Mr. Peter LoBello.

The following officers were in attendance:

Mr. Dennis Crudele, Executive Director, and Ms. Stacey Semmel, Secretary/Treasurer.

The following guests were in attendance:

Mr. Donovan Maginley and Mr. Anil Harris of McGladrey LLP; Ms. Dorothy Russell, FAU Interim Senior Vice President for Financial Affairs and CFO; Dr. Charles Brown, FAU Vice President for Student Affairs, Ms. Ilene Mates, FAU Assistant Vice President for Student Affairs, Ms. Elizabeth Rubin, FAU Associate General Counsel; Ms. Jessica Cohen, FAU Associate Controller and, Ms. Jessica Camacho, FAU Administrative Paraprofessional/Financial Affairs.

Upon call, a motion was made and seconded to approve the minutes of the May 29, 2013 meeting without change or correction. **The motion passed unanimously.**

#### 2. REVIEW OF THE FAU FINANCE CORPORATION FINANCIAL STATEMENT FOR THE FISCAL YEAR ENDED JUNE 30, 2013.

Ms. Semmel introduced Mr. Anil Harris from McGladrey LLP to present the report to the Board. He reviewed and clarified information provided in the report including a statement of the auditor's responsibilities under professional standards; accounting practices utilized in the audit; management's judgments and accounting estimates; inquiries of management; internal control matters; and, other required reporting.



Mr. Harris highlighted the following information from the report:

- a) Regarding operating revenues, the \$21M housing revenue shown on the statements represents only the corporation's share, however; the total housing revenue was \$27M.
- b) Regarding nonoperating revenues, Athletic revenues pledged for debt service was \$1.7M. He explained that the Corporation receives athletic revenues from the University from stadium operations and the \$1.7M is equal to the debt service on stadium bonds.
- c) The IRS interest credit is a result of a reduction in the July 2013 payment by 8.7%, due to the Federal Budget that was passed.
- d) The \$21M in housing revenues does not include Parliament Hall revenue.
- e) There were no significant issues in the audit that warranted a discussion with management.
- f) Although one finding was reported, Ms. Semmel clarified that it was an adjusted entry of \$5M and Mr. Crudele labeled it as non-material.

Upon question, Mr. Harris explained that there shouldn't be any tax changes for 2014 that affect FAU's Finance Corporation.

Upon Mr. Crudele's request, a motion was made and seconded to approve the Financial Statement for the year ended June 30, 2013. **The motion passed unanimously.**

### **3. REVIEW OF SEPTEMBER 30, 2013 INTERIM FINANCIAL DATA.**

Ms. Semmel noted that this report shows financial data for first quarter of the year, June 30, 2013 through September 30, 2013. Total Housing Revenues for the first quarter are at 43% and occupancy is at 89%, slightly below the budget of 95%.

Mr. Crudele spoke briefly regarding this year's housing numbers and the search for a new Housing Director, then introduced Dr. Charles Brown. Dr. Brown provided an update on the Housing Director search and indicated that there were three potential candidates of which one has been chosen. He is hoping that the position will be filled by February of 2014.

Regarding the 89% occupancy rate, Dr. Brown explained that the Living-Learning Community (LLC) program was dissolved this year, however; they are going to be available next year in coordination with the Center for Learning and Student Success and he hopes to have at least 200 students participating this coming Fall.

Another reason the occupancy rate is lower than expected this year is that many more exceptions were made to the mileage radius policy than in previous years. Dr. Brown



stated that in 2012-13 only 260 students received approved exceptions and in 2013-14 there were over 600 students approved. All exceptions in the future will be heavily reviewed and the residency restriction will be reduced from 50 miles to 30 miles.

Dr. Brown also discussed his development of a comprehensive marketing plan for use in the upcoming year, which the housing department has never had before. Starting much earlier than usual, they will market to students in housing who would like to stay in the residence halls next year for the same current rate, essentially offering a 2-year rate. A survey has also been sent to students regarding staying in the residence halls and data is currently being collected on that survey.

Mr. Crudele also reiterated the monitoring of the exception policy and spoke of plans to increase out of state students. He stated that this year's housing occupancy is an anomaly and should not happen in the future. Dr. Brown stated that the goal next year is to have a waiting list.

Upon question, Ms. Semmel explained that "other expenses" listed on the report indicate all expenses other than payroll and debt service, such as repairs, maintenance and utilities.

Discussion followed on whether or not to meet again in the near future on the housing occupancy issue. Mr. Crudele stated that he will provide an update quarterly on the marketing plan for housing, orientation and other issues discussed. He did not see the need to organize an earlier meeting on this issue and restated that this year was an irregularity, bond obligations are still being met and steps are being taken to ensure success next year.

No additional questions or comments were put forth.

#### 4. BOND COMPLIANCE POLICY

Ms. Rubin stated that it is recommended, not required, to have a Bond Compliance Policy so that there are established procedures to show assigned responsibilities. The policy is modeled off a number of other schools and has been reviewed by Ms. Rubin and Ms. Semmel. Although there were no issues with current policies and procedures, Mr. Crudele explained that the Division of Bond Finance recommended a formal adopted policy and there were no objections to it.

Upon Mr. Crudele's request, a motion was made and seconded to approve the Bond Compliance Policy. **The motion passed unanimously.**

5. **NEW BUSINESS**

Mr. Crudele stated that this is the third year having McGladrey LLP as the auditors. He proposed setting up an Invitation to Negotiate (ITN) for auditing services and will prepare the request and bring the findings back to the board. Upon query, Ms. Semmel stated that at least a dozen top quality medium-tier firms provided quotes during the last ITN three years ago. Mr. Crudele will consult with the boards of the Research Corporation and Clinical Practice Organization regarding the use of the same auditing services for all three to negotiate a better deal.

6. **ADJOURNMENT OF MEETING.** With no other issues to discuss, a motion was made and seconded to adjourn the meeting. **The meeting was adjourned at 2:29 p.m.**

# FAU FINANCE CORPORATION

Item: 2

## BOARD OF DIRECTORS

Wednesday, May 21, 2014

**SUBJECT: FISCAL YEAR 2013-14 FINANCIAL AND OPERATIONAL  
PERFORMANCE REPORT ON THE FAU HOUSING SYSTEM, BOCA  
RATON CAMPUS.**

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### PROPOSED BOARD ACTION

Information Only.

### BACKGROUND INFORMATION

As requested by Board Members, a financial performance report will be presented to keep members abreast of financial issues associated with Boca Raton campus housing.

Dr. Charles Brown will review operating performance including occupancy rates.

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**Supporting Documentation:** Year End Report on FAU Housing Facilities Operations

**Presented by:** Ms. Dorothy Russell

**Phone:** 561-297-6272



## For the Month Ended March 31, 2014

6/30/2014	FY14 Projection vs. FY14 Budget	
Projection	Dollar Variance	% (100%)
512,500	(79,708)	-16%
87,168	(54,341)	-62%
185,598	(46,709)	-25%
11,844	-	0%
284,600	(101,050)	-36%
227,900		
512,500		
98%		
6/30/2014	FY14 Projection vs. FY14 Budget	
Projection	Dollar Variance	% (100%)
4,510,200	497,521	11%
304,363	(93,192)	-31%
963,621	(143,072)	-15%
80,253	(1)	0%
1,348,237	(236,265)	-18%
3,161,963		
3,508,415		
96%		
450,305		
551,480		
3.24		
6/30/2014	FY14 Projection vs. FY14 Budget	
Projection	Dollar Variance	% (100%)
3,307,500	(740,671)	-22%
371,773	(112,782)	-30%
706,291	(156,214)	-22%
80,963	(0)	0%
1,159,027	(268,996)	-23%
2,148,473		
1,590,628		
85%		
1,076,873		
640,000		
1.30		



# FAU Housing System

For the Month Ended March 31, 2014

Heritage Park Towers										
Annual Budget	Year to Date	Year to Date	Year to Date	FY14 vs. FY13 Actuals	FY14 Budget to Actual	FY14 vs. FY13 Actuals	FY14 Budget to Actual	6/30/2014	FY14 Projection vs. FY14 Budget	
Annual Budget	Year to Date	Year to Date	Year to Date	FY14 vs. FY13 Actuals	FY14 Budget to Actual	FY14 vs. FY13 Actuals	FY14 Budget to Actual	6/30/2014	FY14 Projection vs. FY14 Budget	
FY14	FY14	FY14	FY13	Dollar Variance	% (75%)	Dollar Variance	% (75%)	Dollar Variance	% (100%)	
3,689,475	2,989,963	3,458,385		(468,422)	-13.54%	(699,512)	81%	2,989,963	(699,512)	-23%
Expenses:				-						
Payroll	271,242	279,979		(8,737)	-3.12%	196,536	58%	361,656	(106,122)	-29%
Other Expenses	499,419	544,097		(44,678)	-8.21%	390,554	56%	714,557	(175,416)	-25%
Repair and Replacement Fund	55,343	86,857		(31,514)	-36.28%	18,447	75%	73,791	1	0%
Total Expenses	826,004	910,933		(84,929)	-9.32%	605,537	58%	1,150,004	(281,537)	-24%
Total Net	2,163,959	2,547,452						1,839,959		
Surplus	2,659,148	3,112,625						1,521,254		
602										
Number of Beds										
572										
Number of Revenue Producing Beds										
95%	76%							76%		
Debt Service (Interest/fees)	330,815	345,760						660,189		
Debt Service (Principal)								808,520		
Debt Service Coverage - not required individually	6.54	7.37						1.30		
Accounts Receivable	1,419,513	1,753,375								
Deferred Revenue	-	325,937								
-										
Annual Budget	Year to Date	Year to Date	Year to Date	FY14 vs. FY13 Actuals	FY14 Budget to Actual	FY14 vs. FY13 Actuals	FY14 Budget to Actual	6/30/2014	FY14 Projection vs. FY14 Budget	
Annual Budget	Year to Date	Year to Date	Year to Date	FY14 vs. FY13 Actuals	FY14 Budget to Actual	FY14 vs. FY13 Actuals	FY14 Budget to Actual	6/30/2014	FY14 Projection vs. FY14 Budget	
FY14	FY14	FY13	FY13	Dollar Variance	% (75%)	Dollar Variance	% (75%)	Dollar Variance	% (100%)	
4,876,149	4,033,400	4,596,583		(563,183)	-12.25%	(842,749)	83%	4,033,400	(842,749)	-21%
Expenses:				-						
Payroll	289,809	297,569		(7,760)	-2.61%	217,537	57%	386,412	(120,934)	-31%
Other Expenses	671,541	711,814		(40,273)	-5.66%	397,688	63%	1,045,618	(23,611)	-2%
Repair and Replacement Fund	73,142	95,877		(22,735)	-23.71%	24,581	75%	97,523	(0)	0%
Total Expenses	1,034,492	1,105,260		(70,768)	-6.40%	639,606	62%	1,529,553	(144,545)	-9%
Total Net	2,998,908	3,491,323						2,503,847		
3,297,793	3,640,774	4,188,930						2,455,044		
604										
Number of Beds										
574										
Number of Revenue Producing Beds										
95%	88%							88%		
Debt Service (Interest/fees)	392,626	407,653						783,356		
Debt Service (Principal)								795,000		
Debt Service Coverage - not required individually	7.64	8.56						1.65		
Accounts Receivable	2,749,672	2,840,955								
Deferred Revenue	932,400	768,225								
-										
-										
Annual Budget	Year to Date	Year to Date	Year to Date	FY14 vs. FY13 Actuals	FY14 Budget to Actual	FY14 vs. FY13 Actuals	FY14 Budget to Actual	6/30/2014	FY14 Projection vs. FY14 Budget	
Annual Budget	Year to Date	Year to Date	Year to Date	FY14 vs. FY13 Actuals	FY14 Budget to Actual	FY14 vs. FY13 Actuals	FY14 Budget to Actual	6/30/2014	FY14 Projection vs. FY14 Budget	
FY14	FY14	FY13	FY13	Dollar Variance	% (75%)	Dollar Variance	% (75%)	Dollar Variance	% (100%)	
5,998,703	5,176,713	5,174,957		1,756	0.03%	(821,990)	86%	5,177,600	(821,103)	-16%
Expenses:				-						
Payroll	228,725	228,864		(139)	-0.06%	298,589	57%	304,967	(99,206)	-33%
Other Expenses	807,330	639,627		167,703	26.22%	322,992	71%	1,076,440	(53,882)	-5%
Repair and Replacement Fund	84,799	82,329		2,470	3.00%	28,266	75%	113,065	0	0%
Debt Service (Interest, net of Babo)	1,491,577	1,495,712		(4,135)	-	1,388,021	52%	2,983,153	103,555	3%
Total Expenses	2,612,431	2,446,532		165,899		1,914,727	58%	4,477,625	(49,533)	-1%
Total Net	2,564,282	2,728,425						699,975		
1,471,545										
605										
Number of Beds										
557										
Number of Revenue Producing Beds										
92%	85%							85%		
Debt Service (Principal)	-	-						1,095,000		
Debt Service Coverage - not required individually	2.78	2.88						0.93		
Accounts Receivable	2,483,472	2,436,190								
Deferred Revenue	2,387,143	2,502,103								
-										



# FAU Housing System

For the Month Ended March 31, 2014

IV South	Annual Budget		Year to Date		FY14 vs. FY13 Actuals		FY 14 Budget to Actual	
	FY14	FY13	FY14	FY13	Dollar Variance	% (75%)	Dollar Variance	% (75%)
Total Revenues	5,550,098	4,558,006	5,280,576		(722,520)	-13.68%	(992,092)	82%
Expenses:								
Payroll	430,389	239,460	233,787		5,673	2.43%	190,929	56%
Other Expenses	1,105,405	699,322	473,766		225,556	47.61%	406,083	63%
Repair and Replacement Fund	113,065	84,799	82,329		2,470	3.00%	28,266	75%
Debt Service (Interest, net of Babs)	2,879,598	1,491,577	1,495,712		(4,135)	10.04%	1,388,021	52%
Total Expenses	4,528,457	2,515,158	2,285,594		229,564		2,013,299	56%
Total Net:	1,021,641	2,042,848	2,994,982					
Number of Beds	611							
Number of Revenue Producing Beds	580							
% Occupancy	95%	84%						-12%
Debt Service (Principal)	1,095,000							
Debt Service Coverage - not required individually	1.01	2.43	3.00		2,034,855			
Accounts Receivable	-	2,102,971	2,265,889					
Deferred Revenue	-	2,022,520	1,569,457					
Parliament Hall								
Total Revenues	Annual Budget		Year to Date		FY14 vs. FY13 Actuals		FY 14 Budget to Actual	
	FY14	FY13	FY14	FY13	Dollar Variance	% (75%)	Dollar Variance	% (75%)
Total Revenues	4,743,833	4,393,887	-		4,393,887	-	(349,946)	93%
Expenses:								
Payroll	432,204	246,121	-		246,121	-	186,083	57%
Other Expenses	681,906	245,263	-		245,263	-	436,643	36%
Repair and Replacement Fund	122,800	92,100	-		92,100	-	30,700	75%
Debt Service (Interest, excludes Cap I)	1,933,375	-	-		-		1,933,375	0%
Total Expenses	3,170,285	583,484	-		583,484		2,586,801	18%
Total Net:	1,573,548	3,810,403	-		3,810,403		(2,936,747)	
Number of Beds	614							
Number of Revenue Producing Beds	583							
% Occupancy	95%	90%						-5%
Debt Service (Principal)	1.88	N/A	-					
Debt Service Coverage - not required individually	40.848				1,787,395			
Accounts Receivable	-							
Deferred Revenue	-	1,471,904						
Housing Admin	Annual Budget		Year to Date		FY14 vs. FY13 Actuals		FY 14 Budget to Actual	
	FY14	FY13	FY14	FY13	Dollar Variance	% (75%)	Dollar Variance	% (75%)
Total Revenues	750,000	342,477	324,955		17,522	5.39%	(407,523)	46%
Expenses:								
Payroll	1,399,862	837,757	707,221		130,536	18.46%	562,105	60%
Other Expenses	932,122	538,627	654,075		(115,448)	-17.65%	393,495	58%
Total Expenses	2,331,984	1,376,384	1,361,296		15,088	1.11%	955,600	59%
Total Net:	(1,581,984)	(1,033,907)	(1,036,341)					
Surplus	750,000	342,477	324,955		(405,362)			
Accounts Receivable	-	342,145	285,128					
Total	Annual Budget		Year to Date		FY14 vs. FY13 Actuals		FY 14 Budget to Actual	
	FY14	FY13	FY14	FY13	Dollar Variance	% (75%)	Dollar Variance	% (75%)
Total Revenues	34,261,316	28,933,419	26,420,901		2,512,518	9.51%	(5,327,897)	84%
Expenses:								
Payroll	4,665,371	2,685,592	2,365,452		320,140	13.53%	1,979,779	58%
Other Expenses	8,010,452	4,770,684	4,298,844		471,840	10.96%	3,239,768	60%
Reserves	693,304	519,978	538,600		(18,622)	-3.46%	173,326	75%
Debt Service (Interest) IV & Par Hall	7,692,571	2,983,154	2,991,424		(8,270)		4,709,417	39%
Total Expenses	21,061,698	10,959,408	10,194,320		765,088	7.51%	10,102,290	52%
Total Net:	13,199,618	17,974,011	16,226,581		1,747,430			
Surplus DBF	12,202,959	13,316,085	14,424,224					
Number of Beds	4,044							
Number of Revenue Producing Beds	4,276							
% Occupancy	95%	86%						-9%
Debt Service (Principal) IV	2,190,000							
Debt Service (Principal) Par Hall	855,000							
Debt Service (Interest) DBF	2,970,723	1,488,728	1,541,144		(10,194)			
Debt Service (Principal) DBF	2,795,000							
Debt Service Coverage - Budget	1.31	4.80	4.36		(93.18)			
Debt Service Coverage Ratio FY 2013 - Continuing Disclosure	-	13,664,906	14,625,325		6,326,773			
Accounts Receivable	-	6,950,215	8,680,406					
Deferred Revenue	-							

6/30/2014	FY14 Projection vs. FY14 Budget		FY14 Projection vs. FY14 Budget	
	Projection	Dollar Variance	% (100%)	
Total Revenues	4,563,000	(987,098)	-22%	
Expenses:				
Payroll	319,280	(111,109)	-35%	
Other Expenses	932,429	(172,976)	-19%	
Repair and Replacement Fund	113,065	0	0%	
Debt Service (Interest, net of Babs)	2,983,153	103,555	3%	
Total Expenses	4,347,928	(180,529)	-4%	
Total Net:	215,072			
Number of Beds				
Number of Revenue Producing Beds				
% Occupancy	84%			
Debt Service (Principal)	1,095,000			
Debt Service Coverage - not required individually	0.81			
Accounts Receivable				
Deferred Revenue				
6/30/2014	FY14 Projection vs. FY14 Budget		FY14 Projection vs. FY14 Budget	
	Projection	Dollar Variance	% (100%)	
Total Revenues	4,972,200	228,367	5%	
Expenses:				
Payroll	328,161	(104,043)	-32%	
Other Expenses	327,017	(354,889)	-109%	
Repair and Replacement Fund	122,800	-	0%	
Debt Service (Interest, excludes Cap I)	827,731	(1,105,644)	-134%	
Total Expenses	1,605,710	(1,564,573)	-97%	
Total Net:	3,366,490			
Number of Beds				
Number of Revenue Producing Beds				
% Occupancy	90%			
Debt Service (Principal)				
Debt Service Coverage - not required individually	5.22			
Accounts Receivable				
Deferred Revenue				
6/30/2014	FY14 Projection vs. FY14 Budget		FY14 Projection vs. FY14 Budget	
	Projection	Dollar Variance	% (100%)	
Total Revenues	390,700	(359,300)	-92%	
Expenses:				
Payroll	1,117,009	(282,853)	-25%	
Other Expenses	734,169	(197,953)	-27%	
Total Expenses	1,851,179	(480,805)	-26%	
Total Net:	(1,460,479)			
Surplus	390,700			
Accounts Receivable				
6/30/2014	FY14 Projection vs. FY14 Budget		FY14 Projection vs. FY14 Budget	
	Projection	Dollar Variance	% (100%)	
Total Revenues	3,457,063	(3,804,253)	-12%	
Expenses:				
Payroll	3,580,789	(1,084,582)	-30%	
Other Expenses	6,685,732	(1,324,720)	-20%	
Reserves	693,304	-	0%	
Debt Service (Interest) IV & Par Hall	6,794,037	(898,534)	-13%	
Total Expenses	17,753,862	(3,307,836)	-19%	
Total Net:	12,703,201			
Surplus DBF	9,978,540			
Number of Beds				
Number of Revenue Producing Beds				
% Occupancy	86%			
Debt Service (Principal) IV	2,190,000			
Debt Service (Principal) Par Hall	855,000			
Debt Service (Interest) DBF	2,970,723			
Debt Service (Principal) DBF	2,795,000			
Debt Service Coverage - Budget	1.29			
Debt Service Coverage Ratio FY 2013 - Continuing Disclosure				
Accounts Receivable				
Deferred Revenue				



# FAU FINANCE CORPORATION

Item: 3

## BOARD OF DIRECTORS

Wednesday, May 21, 2014

**SUBJECT: REQUEST FOR APPROVAL OF THE FAU FINANCE CORPORATION'S  
2014-15 OPERATING BUDGET.**

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### PROPOSED BOARD ACTION

Review and recommend approval of the FAUFC 2014-15 Operating Budget; and delegate to the FAUFC Chair, the authority to amend these budgets as appropriate during the fiscal year consistent with Legislative, Board of Trustees' and Board of Governors' directives and guidelines.

### BACKGROUND INFORMATION

The FAU Finance Corporation By-laws require the preparation of an annual budget before the beginning of the University's fiscal year, approved by this Board of Directors and recommended by the University President to the Board of Trustees each year no later than sixty (60) days following the beginning of the Corporation's fiscal year. The Board of Trustees must approve the Corporation's budget before it can be enacted.

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**Supporting Documentation:** Proposed 2014-15 FAUFC Operating Budget

**Presented by:** Dorothy Russell

**Phone:** 561-297-3267

# Florida Atlantic University Finance Corporation

## Operating Budget FY 2015

	Housing	Administrative	Stadium	Total
Operating Revenues:				
Pledged Revenue	34,175,316	-	2,681,216	36,856,532
Operating Expenses:				
Lease Expense	-	400,000	-	400,000
Housing Operating Expenses	12,279,237	-	-	12,279,237
Other Operating Expenses	1,275,105	695,739	-	1,970,844
Total Operating Expenses	13,554,342	1,095,739	-	14,650,081
Net Operating Income	20,620,974	(1,095,739)	2,681,216	22,206,451
Nonoperating Revenues (Expenses):				
Investment Income	100,000	355,162	-	455,162
Depreciation	(5,392,315)	-	-	(5,392,315)
Bond Expenses:				
Bond Interest Expense	(10,432,195)	-	(3,492,357)	(13,924,553)
Babs Subsidy	2,669,421	-	811,142	3,480,563
Net Bond Interest Expense	(7,762,774)	-	(2,681,216)	(10,443,990)
Total Nonoperating Income (Expense)	(13,055,090)	355,162	(2,681,216)	(15,381,144)
Transfers:				
Transfer to FAU Foundation to Fund Scholarships	-	(2,000,000)	-	(2,000,000)
	-	(2,000,000)	-	(2,000,000)
Net Income (Financial Statement-accrual)	7,565,884	(2,740,577)	-	4,825,307

# Florida Atlantic University

## Stadium Operations

### FY 2015

**Pledged Revenues:**

Ticket Sales/Other Event Tickets	700,000
Game Guarantees	1,000,000
Student Fees (5% of prior year)	535,370
Development/Corporate Sales	563,000
Catering/Concessions/Novelties	62,000
Facilities/Parking	400,000
Naming Rights	400,000
Premium/Priority Seating	400,000
Capital Gifts	1,100,000
University Support	1,890,000

<b>Total Pledged Revenue</b>	<b>7,050,370</b>
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**Operating Expenses:**

Salaries and Benefits	220,445
Utilities/Maintenance/Facility Rental	528,653
Replacement/Repairs Fund	370,000
Rental Expenses	250,000
Game day Expenses	426,693
Equipment/Supplies/Memberships	54,848
Advertising/Promotions	250,000
Insurances	60,100
Other Expenses	433,898
Debt Service	2,681,216

<b>Total Expenses</b>	<b>5,275,853</b>
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<b>Total Revenue in excess of Expenses</b>	<b>1,774,517</b>
	<b>25%</b>

**Debt Covenant:**

<b>Pledged Revenues</b>	<b>7,050,370</b>
<b>BABS</b>	<b>811,142</b>
<b>Gross Debt Service</b>	<b>3,492,358</b>

<b>Debt Coverage Ratio</b>	<b>2.25</b>
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# FAU FINANCE CORPORATION

Item: 4

## FAU FINANCE CORPORATION

Wednesday, May 21, 2014

**SUBJECT: REVIEW OF PROPOSALS AND SELECTION OF AN AUDITOR FOR FAUFC AUDIT FOR FISCAL YEAR 2013-14.**

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### PROPOSED BOARD ACTION

Review and recommend approval of one of three proposals submitted by auditing entities to provide professional audit and tax services for the FAU Finance Corporation for the fiscal year July 1, 2013 to June 30, 2014; and delegate to the Chair of the FAU Finance Corporation authority to enter into negotiations and execute or amend related documents and agreements.

### BACKGROUND INFORMATION

The FAU Finance Corporation By-laws, adopted November 13, 2009, require an audit to be made by an independent certified public accountant of the books of the Corporation as soon as possible after the close of the fiscal year of the Corporation, and to have the results reported to the Board of Directors at its next ensuing meeting. The annual audit report shall be submitted by the University President to the Board of Trustees for review no later than the end of the fourth month following the close of the organization's fiscal year. The annual audit report shall also be submitted to the Auditor General and to the Board of Governors no later than nine (9) months after the close of the Corporation's fiscal year. The audit shall be conducted in accordance with rules promulgated by the Board of Trustees and with the policies adopted by the Auditor General. The Board shall ensure that the financial records of the Corporation are maintained in accordance with generally accepted accounting principles, that consistent and reliable financial practices are followed and that the current financial status of the Corporation is reported to the Board of Directors regularly.

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<b>Supporting Documentation:</b>	Proposals:	Berger, Toombs, Elamn, Gaines & Frank S. Davis & Associates, P.A. Keefe, McCullough & Co, LLP
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**Presented by:** Ms. Dorothy Russell

**Phone:** 561-297-3267

Firm	Component Unit Currently Audit	FAUFC Fee	CPO Fee	Staffing
Berger, Toombs, Elam, Gaines & Frank	HBOI	\$21,750	\$5,250	<ul style="list-style-type: none"> <li>• Director</li> <li>• Principal</li> <li>• Manager</li> <li>• Senior</li> <li>• Staff (7)</li> </ul>
S. Davis & Associates, P.A.	Research Corporation	\$19,000*	\$9,500*	<ul style="list-style-type: none"> <li>• Partner</li> <li>• Quality Review Partner</li> <li>• Senior</li> <li>• Staff</li> </ul>
Keefe, McCullough & Co, LLP	FAU Foundation	2014- \$16,500 2015- \$17,000 2016-\$17,500	2014- \$9,500 2015- \$9,900 2016-\$10,300	<ul style="list-style-type: none"> <li>• Partner</li> <li>• Review Partner</li> <li>• Manager</li> </ul>
McGladrey and Pullen	FAUFC & CPO, 2011-2013	No Reply	No Reply	N/A
KPMG	N/A	Passed	Passed	N/A

\*This is the maximum fee. Rates are as follows:

Partner \$175  
 Manager \$130  
 Senior \$100  
 Staff \$60  
 Administration \$35

**FAU FINANCE CORPORATION  
PROPOSAL FOR AUDIT SERVICES**

**Fiscal Years Ended  
June 30, 2014, 2015 and 2016**

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**PROPOSED BY:**

**Berger, Toombs, Elam, Gaines & Frank  
CERTIFIED PUBLIC ACCOUNTANTS, PL**

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**600 Citrus Avenue, Suite 200  
Fort Pierce, Florida 34950**

**(772) 461-6120**

**CONTACT PERSON:**

**J. W. Gaines, CPA**

**DATE OF PROPOSAL:**

**February 28, 2014**



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# Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue  
Suite 200  
Fort Pierce, Florida 34950

772/461-6120 // 461-1155  
FAX: 772/468-9278

February 28, 2014

Board of Directors  
FAU Finance Corporation  
Boca Raton, Florida

Thank you very much for the opportunity to present our professional credentials to provide audit services for FAU Finance Corporation.

Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants PL has assembled a team of nonprofit specialists second to none to serve our clients. Our firm has the necessary qualifications and experience to serve as the independent auditors for FAU Finance Corporation. We will provide you with top quality, responsive service.

Our firm also has a computer specialist who is a Certified QuickBooks Advisor, so we will be able to assist you in your accounting software needs.

## Experience

Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants PL is a recognized leader in providing services to nonprofit agencies along the Treasure Coast. We have been the independent auditors for a number of nonprofit agencies and through our experience in performing their audits, we have been able to increase our audit efficiency and; therefore, reduce costs. We have continually passed this cost savings on to our clients and will continue to do so in the future. As a result of our experience and expertise, we have developed an effective and efficient audit approach designed to meet or exceed the performance specifications in accordance with auditing standards generally accepted in the United States of America with minimal disruption to your operations. Our firm has frequent technical updates to keep our personnel informed and up-to-date on all changes that are occurring within the industry.

To facilitate your evaluation of our qualifications and experience, we have arranged this proposal to include a profile of our firm, including our available staff, our extensive prior nonprofit auditing experience and clients to be contacted.

Fort Pierce / Stuart

Member AICPA

Member AICPA Division For CPA Firms  
Private Companies Practice Section

Member FICPA



Berger, Toombs, Elam,  
Gaines & Frank

Certified Public Accountants PL

FAU Finance Corporation  
February 28, 2014  
Page 2

You need a firm that will provide an efficient, cost-effective, high-quality audit within critical time constraints. You need a firm with the prerequisite nonprofit experience to perform your audit according to stringent legal and regulatory requirements, a firm that understands the complex nature of nonprofit organizations and their unique compliance requirements. You need a firm with recognized nonprofit specialists within the finance and nonprofit communities. And, certainly, you need a firm that will provide you with valuable feedback to enhance your current and future operations. Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants PL is that firm. J. W. Gaines is the person authorized to make representations for the firm.

Thank you again for the opportunity to submit this proposal to FAU Finance Corporation.

Very truly yours,

*Berger, Toombs, Elam,  
(Gaines) & Frank*

Berger, Toombs, Elam, Gaines & Frank  
Certified Public Accountants PL  
Fort Pierce, Florida



## **PROFILE OF THE PROPOSER**

### **Description and History of Audit Firm**

**Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants PL** is a Treasure Coast public accounting firm, which qualifies as a small business firm, as established by the Small Business Administration (13 CFR 121.38), with offices in Fort Pierce and Stuart. We are a member of the Florida Institute of Certified Public Accountants and the American Institute of Certified Public Accountants. The firm was formed from the merger of Edwards, Berger, Harris & Company (originated in 1972) and McAlpin, Curtis & Associates (originated in 1949). J. W. Gaines and Associates (originated in 1979) merged with the firm in 2004. Our tremendous growth rate experienced over the last 64 years is directly attributable to the firm's unrelenting dedication to providing the highest quality, responsive professional services attainable to its clients.

We offer a full range of services for our clients including auditing, accounting, tax, computer consulting, financial planning and other management services.

We are a member of the Private Companies Practice Section (PCPS) of the American Institute of Certified Public Accountants (AICPA) to assure we meet the highest standards. Membership in this practice section requires that our firm meet more stringent standards than standard AICPA membership. These rigorous requirements include the requirement of a triennial peer review of our firm's auditing and accounting practice and annual Continuing Professional Education (CPE) for all accounting staff (whether CPA or non-CPA). For standard AICPA membership, only a quality review is required and only CPAs must meet CPE requirements.

We have been extensively involved in serving nonprofit entities with professional accounting, auditing and consulting services throughout the entire 64 year history of our firm. Our substantial experience over the years makes us uniquely qualified to provide accounting, auditing, and consulting services to these clients. We are a recognized leader in providing services to nonprofit agencies on the Treasure Coast. We will consult with you at the beginning of each audit cycle to discuss the audit team that will perform the audit for the current period.

Our firm was founded on the belief that we are better able to respond to our clients needs through education, experience, independence, quality control, and personal service. Our firm's commitment to quality is reflected in our endeavor of professional excellence via continuing education, the use of the latest computer technology, professional membership in PCPS and peer review.

We believe our approach to audit engagements, intelligence and innovation teamed with sound professional judgment enables us to explore new concepts while remaining sensitive to the fundamental need for practical solutions. We take pride in giving you the assurance that the personal assistance you receive comes from years of advanced training, technical experience and financial acumen.

## Professional Staff Resources

Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants PL has a total of 27 professional and administrative staff (including 11 professional staff with extensive experience servicing nonprofit entities). The work will be performed out of our Fort Pierce office. With the exception of the directors of the firm's offices, the professional staff is not specifically assigned to any of our individual offices. The professional and administrative staff resources available to you through Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants PL are as follows:

	Total
Partners/Directors	5
Principals	1
Managers	1
Senior/Supervisor Accountants	1
Staff Accountants	8
Computer Specialist	1
Para-Professional	7
Administrative	<u>3</u>
Total – all personnel	27

The professional staff resources with nonprofit accounting and auditing experience are as follows:

	Total
Partners/Directors	2
Principals	1
Managers	1
Senior/Supervisor Accountants	1
Staff Accountants	<u>6</u>
Total – all personnel	11

Following is a brief description of each employee classification:

**Staff Accountant** – Staff accountants work directly under the constant supervision of the auditor-in-charge and, are responsible for the various testing of documents, account analysis and any other duties as his/her supervisor believes appropriate. Minimum qualification for a staff accountant is graduation from an accredited university or college with a bachelor's degree in accounting or equivalent.

**Senior Accountant** – A senior accountant must possess all the qualifications of the staff accountant, in addition to being able to draft the necessary reports and financial statements, and supervise other staff accountants when necessary.

**Managers** – A manager must possess the qualifications of the senior accountant, plus be able to work without extensive supervision from the auditor-in-charge. The manager should be able to draft audit reports from start to finish and to supervise the audit team, if necessary.



## **Professional Staff Resources (Continued)**

**Principal** – A principal is a partner/director in training. He has been a manager for several years and possesses the technical skills to act as the auditor –in-charge. A principal has no financial interest in the firm.

**Partner/Director** – The director has extensive governmental auditing experience and acts as the auditor-in-charge. Directors have a financial interest in the firm.

Please see Appendix F for resumes of our audit staff. J. W. Gaines and David S. McGuire will be the director and principal responsible for this audit. Both of them will remain involved with this audit and have been involved with audits on the Treasure Coast for fifteen years. We generally have 1 or 2 staff auditors on a job this size closely supervised by the director and principal noted above.

**Independence** – Independence of the public accounting firm, with respect to the audit client, is the foundation from which the public gains its trust in the opinion issued by the public accounting firm at the end of the audit process. This independence must be in appearance as well as in fact. The public must perceive that the accounting firm is independent of the audit entity to insure that nothing would compromise the opinion issued by the public accounting firm. **Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants PL** is independent of FAU Finance Corporation at the date of this proposal, as defined by the following rules, regulations, and standards:

AuSection 220 – Statements on Auditing Standards issued by the American Institute of Certified Public Accountants;

ET Sections 101 and 102 – Code of Professional Conduct of the American Institute of Certified Public Accountants;

Chapter 21A-1, Florida Administrative Code;

Section 473.315, Florida Statutes; and,

Government Auditing Standards, issued by the Comptroller General of the United States.

On an annual basis, all members of the firm are required to confirm, in writing, that they have no personal or financial relationships or holding that would impair their independence with regard to the firm's clients.

Independence is a hallmark of our profession. We encourage our staff to use professional judgment in situations where our independence could be impaired or the perception of a conflict of interest might exist. In the governmental sector, public perception is as important as professional standards. Therefore, the utmost care must be exercised by independent auditors in the performance of their duties.

## **AUDITING EXPERIENCE**

**Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants PL** has been practicing public accounting in Florida for 64 years. Our success over the years has been the result of a strong commitment to providing personalized quality service to our clients.

The current members of our firm have performed audits of over 900 nonprofit organizations, municipalities, counties and other governmental entities.

Our firm provides a variety of accounting, auditing, tax litigation support, and consulting services. Some of the professional accounting, auditing and management consulting services that are provided by our firm are listed below:

- Performance of annual financial and compliance audits, including Single Audits of state and federal financial assistance programs, under both OMB A-133 audit criteria and the Single Audit Act Amendments of 1996;
- Performance of special compliance audits to ascertain compliance with the applicable local, state and federal laws and regulations;
- Issuance of comfort letters and consent letters in conjunction with the issuance of tax-exempt debt obligations, including compiling financial data and interim period financial statement reviews;
- Calculation of estimated and actual federal arbitrage rebates;
- Assistance in compiling historical financial data for first-time and supplemental submissions for GFOA Certificate of Achievement for Excellence in Financial Reporting;
- Preparation of indirect cost allocation systems in accordance with Federal and State regulatory requirements;
- Providing human resource and employee benefit consulting;
- Performance of automation feasibility studies and disaster recovery plans;
- Assistance in the development and implementation of general fixed asset and utility asset property control systems required pursuant to Chapter 10.400, Rules of the Auditor General for County and District Tangible Personal Property;
- Performance feasibility studies concerning major fixed asset acquisitions and utility plant expansion plans (including electric, water, pollution control, and sanitation utilities); and
- Assistance in litigation, including testimony in civil and criminal court.
- Assist clients who utilize QuickBooks software with their software needs. Our Certified QuickBooks Advisor has undergone extensive training through QuickBooks and has passed several exams to attain this certification.

## **Continuing Professional Education**

All members of the audit staff of our firm, and audit team members assigned to this engagement, are in compliance with the Continuing Professional Education (CPE) requirements of the State Board of Accountancy and those set forth in Government Auditing Standards issued by the Comptroller General of the United States.

The audit team has extensive experience in performing nonprofit audits and is exposed to intensive and continuing concentration on these types of audits. Due to the total number of nonprofit audits our team performs each member of our audit staff must understand and be able to perform several types of audits. It is our objective to provide each professional employee fifty hours or more of comprehensive continuing professional education each year. This is accomplished through attending seminars throughout Florida and is reinforced through in-house training.



## **AUDITING EXPERIENCE (CONTINUED)**

Our firm has made a steadfast commitment to professional education. Our active attendance and participation in continuing professional education is a major part of our objective to obtain the most recent knowledge on issues which are of importance to our clients. We are growing on the reputation for work that our firm is providing today.

### **Quality Control Program**

Quality control requires continuing commitment to professional excellence. **Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants PL** is formally dedicated to that commitment.

To ensure maintaining the standards of working excellence required by our firm, we joined the Private Companies Practice Section (PCPS) of the American Institute of Certified Public Accountants (AICPA). To be a participating member firm of this practice section, a firm must obtain an independent Peer Review of its quality control policies and procedures to ascertain the firm's compliance with existing auditing standards on the applicable engagements.

The scope of the Peer Review is comprehensive in that it specifically reviews the following quality control policies and procedures of the participating firm:

- Professional, economic, and administrative independence;
- Assignment of professional personnel to engagements;
- Consultation on technical matters;
- Supervision of engagement personnel;
- Hiring and employment of personnel;
- Professional development;
- Advancement;
- Acceptance and continuation of clients; and,
- Inspection and review system.

We believe that our commitment to the program is rewarding not only to our firm, but primarily to our clients.

The external independent Peer Review of the elements of our quality control policies and procedures performed by an independent certified public accountant, approved by the PCPS of the AICPA, provides you with the assurance that we continue to conform to standards of the profession in the conduct of our accounting and auditing practice.

Our firm has completed successive Peer Reviews. These reviews included a representative sample of our firm's nonprofit auditing engagements. As a result of these reviews, our firm obtained an unqualified opinion on our quality control program and work procedures. On page 27 is a copy of our most recent Peer Review report. It should be noted that we received an unqualified report.

## AUDITING EXPERIENCE (CONTINUED)

### Nonprofit Organizations

#### Current Nonprofit Audits

AIDS Research and Treatment Center	*Save Our Children
*Daniel M. Foundation	St. Lucie Education Foundation
Education Foundation of Martin County, Inc.	St. Lucie Health Access Network, Inc.
*Exchange Club Center for the Prevention of Child Abuse	St. Lucie INTACT
Friends of the Volunteers in Medicine, Inc.	Sunrise Theatre Foundation
*Hibiscus Children's Center	The ARC of Saint Lucie County, Inc.
*Hope for Families, Inc.	The Dunbar Center, Inc.
*Hope Rural School	The Roundtable of St. Lucie County, Inc.
Indian River State College Foundation, Inc.	*Treasure Coast Food Bank
Maritime and Yachting Museum of Florida	*Treasure Coast Resource Conservation & Development Council, Inc.
*Mustard Seed Ministries	*Tykes and Teens, Inc.
*Project ROCK South	United Way of Martin County, Inc.
*Reaching our Community Kids	United Way of St. Lucie County, Inc.
*Restoration Ministries	Volunteers In Medicine, Inc.

\* Includes the audits of federal, state and/or Children's Services Council Programs.

## **AUDITING EXPERIENCE (CONTINUED)**

### **Nonprofit Organizations**

#### **Other Nonprofit Audits**

\*Alpha Health Services, Inc.

John Carroll High School

\*Big Brothers Big Sisters of  
St. Lucie County, Inc.

\*Martin Housing Alliance, Inc.

Care Net Pregnancy Services of the  
Treasure Coast  
Central Florida Foreign Trade-Zone, Inc.

\*Meals on Wheels Treasure Coast, Inc.

\*Okeechobee County Council on Aging

\*Club Utilitas, Inc.

Pelican Yacht Club, Inc.

St. Lucie County Chamber of Commerce

\*Council on Aging of St. Lucie County, Inc.

St. Lucie County Fair Association

Florida Treasure Coast Safety Council

\*Suncoast Mental Health, Inc.

\*Healthy Kids of St. Lucie County, Inc.

\*Sunrise Theatre, Inc.

\*Helping Hands Neighbors, Inc.

\*Treasure Coast Community AIDS Network

Hospice of St. Lucie County

YMCA of St. Lucie County, Inc.

\*Indian River Mental Health Association of  
Indian River County

\* Includes the audits of federal, state and/or Children's Services Council Programs.



## AUDITING EXPERIENCE (CONTINUED)

### Other Audit Experience

Arborwood Community Development District	Julington Creek Plantation Community Development District
Beacon Lakes Community Development District	Lake Ashton II Community Development District
Brighton Lakes Community Development District	Lake Bernadette Community Development District
Capron Trail Community Development District	Marshall Creek Community Development District
Cedar Hammock Community Development District	Midtown Miami Community Development District
Central Lake Community Development District	Office of the Medical Examiner, District 19
Children's Services Council	Overoaks Community Development District
* City of Fort Pierce, Florida	Pine Ridge Plantation Community Development District
Colonial Country Club Community Development District	Renaissance Commons Community Development District
Coquina Water Control District	Riverwood Community Development District
Dovera Community Development District	Rupert J. Smith Law Library of St. Lucie County
Eastlake Oaks Community Development District	* St. Lucie County, Florida
Florida Inland Navigation District	Stoneybrook West Community Development District
*Fort Pierce Utilities Authority	Terracina Community Development District
Fort Pierce Farms Water Control District	Tison's Landing Community Development District
Golden Lakes Community Development District	Troup Indiantown Water Control District
Heritage Lake Park Community Development District	

\* Includes the audits of federal, state and/or Children's Services Council Programs.



## AUDITING EXPERIENCE (CONTINUED)

### References

Mustard Seed Ministries Sharon Britcher, Executive Director (772) 465-6021	Indian River State College Foundation Ann Decker, Executive Director David Liddle, Controller (772) 462-4786
St. Lucie Health Access Network Doug Anderson (772) 216-6284	Daniel M. Foundation Greg Melton, Treasurer (772) 463-4128

## AUDIT APPROACH

We have developed an audit approach that will require limited assistance by your staff. We will provide you with a needs list at the beginning of the audit and allow suitable time for you to compile the necessary information with minimal disruption to your daily routine.

The audit software we utilize utilizes a risk based approach and therefore, the areas of concentration can vary from year to year based on the factors utilized to assess the risk. Our firm utilizes computers extensively throughout the audit, however, we do not currently utilize data extraction software in our audits. For your organization, we will ask for a backup copy of your QuickBooks file for us to load onto our computers.

We communicate the issues with management and audit committees under a variety of methods. Throughout the course of the audit field work, the audit staff and management discuss various matters in an informal basis. At the end of the audit field work, the audit director will hold an exit conference with appropriate management to discuss any issues noted. Material issues noted will be communicated to management and the audit committee in our internal control/management letter. Finally, current audit standards require that we convey certain matters to the audit committee in a separate letter.

## **FEE SCHEDULE**

We propose the fee for our audit services described below to be \$21,750 for the years ended June 30, 2014, 2015 and 2016. This fee is contingent upon the financial records and accounting systems of FAU Finance Corporation being "audit ready". If we discover that additional preparation work or subsidiary schedules are needed, we will consult with your authorized representative. We can assist with this additional work at our standard rates should you desire.

If desired, we can prepare Form 990 Return of Organizations Exempt from Income Tax for a fee of \$1,250.



## ***Commitment to Quality Service***

### **Personnel Qualifications and Experience**

**J. W. Gaines, CPA, CITP**

Director – 34 years

#### **Education**

- ♦ Stetson University, B.B.A. – Accounting

#### **Registrations**

- ♦ Certified Public Accountant – State of Florida, State Board of Accountancy
- ♦ Certified Information Technology Professional (CITP) – American Institute of Certified Public Accountants

#### **Professional Affiliations/Community Service**

- ♦ Member of the American and Florida Institutes of Certified Public Accountants
- ♦ Affiliate member Government Finance Officers Association
- ♦ Past President, Vice President-Campaign Chairman, Vice President and Board Member of United Way of St. Lucie County, 1989 - 1994
- ♦ Past President, President Elect, Secretary and Treasurer of the Treasure Coast Chapter of the Florida Institute of Certified Public Accountants, 1988 - 1991
- ♦ Past President of Ft. Pierce Kiwanis Club, 1994 - 95, Member/Board Member since 1982
- ♦ Past President, Vice President and Treasurer of St. Lucie County Chapter of the American Cancer Society, 1980 -1986
- ♦ Member of the St. Lucie County Chamber of Commerce, Member Board of Directors, Treasurer, September 2002 - 2006, Chairman Elect 2007, Chairman 2008, Past Chairman 2009
- ♦ Member Lawnwood Regional Medical Center Board of Trustees, 2000 - Present
- ♦ Member of St. Lucie County Citizens Budget Committee, 2001 – 2002
- ♦ Member of Ft. Pierce Citizens Budget Advisory Committee, 2010 - Present

#### **Professional Experience**

- ♦ Miles Grant Development/Country Club – Stuart, Florida, July 1975 – October 1976
- ♦ State Auditor General's Office – Public Accounts Auditor – November 1976 through September 1979
- ♦ Director - Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants PL, responsible for numerous government and nonprofit audits.
- ♦ Over 30 years experience in all phases of public accounting and auditing experience, with a concentration in financial and compliance audits. Mr. Gaines has been involved in all phases of the audits listed on the preceding pages.

## ***Commitment to Quality Service***

<b>Personnel Qualifications and Experience</b>
--

**J. W. Gaines, CPA (Continued)**  
Director

**Continuing Professional Education**

- ♦ Has participated in numerous continuing professional education courses provided by nationally recognized sponsors over the last two years to keep abreast of the latest developments in accounting and auditing such as:
  - Governmental Accounting Report and Audit Update, Texas Tech University
  - Analytical Procedures, FICPA
  - Annual Update for Accountants and Auditors
  - Single Audit Sampling and Other Considerations



## ***Commitment to Quality Service***

### **Personnel Qualifications and Experience**

#### **David S. McGuire, CPA, CITP**

Accounting and Audit Principal – 5 years

Accounting and Audit Manager – 5 years

Staff Accountant – 11 years

#### **Education**

- ♦ University of Central Florida, B.A. – Accounting
- ♦ Barry University – Master of Professional Accountancy

#### **Registrations**

- ♦ Certified Public Accountant – State of Florida, State Board of Accountancy
- ♦ Certified Information Technology Professional (CITP) – American Institute of Certified Public Accountants

#### **Professional Affiliations/Community Service**

- ♦ Member of the American and Florida Institutes of Certified Public Accountants
- ♦ Associate Member, Florida Government Finance Office Associates
- ♦ Assistant Coach – St. Lucie County Youth Football Organization (1994 – 2005)
- ♦ Assistant Coach – Greater Port St. Lucie Football League, Inc. (2006 – 2010)
- ♦ Board Member – Greater Port St. Lucie Football League, Inc. (2011 – present)
- ♦ Treasurer, AIDS Research and Treatment Center of the Treasure Coast, Inc. (2000 – 2003)
- ♦ Board Member/Treasurer, North Treasure Coast Chapter, American Red Cross (2004 – 2010)
- ♦ Member/Board Member of Port St. Lucie Kiwanis (1994 – 2001)
- ♦ Member/Board Member of Sunrise Kiwanis of Fort Pierce (2004 – present)
- ♦ St. Lucie District School Board Superintendent Search Committee (2013 – present)

#### **Professional Experience**

- ♦ Nineteen years public accounting experience with an emphasis on nonprofit and governmental organizations.
- ♦ Audit Manager in-charge on a variety of audit and review engagements within several industries, including the following government and nonprofit organizations:
  - St. Lucie County, Florida
  - 19<sup>th</sup> Circuit Office of Medical Examiner
  - Troup Indiantown Water Control District
  - Exchange Club Center for the Prevention of Child Abuse, Inc.
  - Healthy Kids of St. Lucie County
  - Mustard Seed Ministries of Ft. Pierce, Inc.
  - Reaching Our Community Kids, Inc.
  - Reaching Our Community Kids - South
  - St. Lucie County Education Foundation, Inc.
  - Treasure Coast Food Bank, Inc.
  - North Springs Improvement District
- ♦ Four years of service in the United States Air Force in computer operations, with a top secret (SCI/SBI) security clearance.

## ***Commitment to Quality Service***

### **Personnel Qualifications and Experience**

**David S. McGuire, CPA (Continued)**  
Accounting and Audit Manager

#### **Continuing Professional Education**

- ♦ Mr. McGuire has attended numerous continuing professional education courses and seminars taught by nationally recognized sponsors in the accounting auditing and single audit compliance areas. He has attended courses over the last two years in those areas as follows:

- Not-for-Profit Auditing Financial Results and Compliance Requirements
- Update: Government Accounting Reporting and Auditing
- Annual Update for Accountants and Auditors

## ***Commitment to Quality Service***

### **Personnel Qualifications and Experience**

#### **David F. Haughton, CPA**

Accounting and Audit Manager – 25 years

#### **Education**

- ♦ Stetson University, B.B.A. – Accounting

#### **Registrations**

- ♦ Certified Public Accountant – State of Florida, State Board of Accountancy

#### **Professional Affiliations/Community Service**

- ♦ Member of the American and Florida Institutes of Certified Public Accountants
- ♦ Former Member of Florida Institute of Certified Public Accountants Committee on State and Local Government
- ♦ Affiliate Member Government Finance Officers Association (GFOA) for over 10 years
- ♦ Affiliate Member Florida Government Finance Officers Association (FGFOA) for over 10 years
- ♦ Technical Review – 1997 FICPA Course on State and Local Governments in Florida
- ♦ Board of Directors – Kiwanis of Ft. Pierce, Treasurer – 1994-1999; Vice President – 1999-2001

#### **Professional Experience**

- ♦ Twenty-three years public accounting experience with an emphasis on governmental and nonprofit organizations.
- ♦ State Auditor General's Office – West Palm Beach, Staff Auditor, June 1985 to September 1985
- ♦ Accounting and Audit Manager of Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants PL, responsible for audit and accounting services including governmental and not-for-profit audits.
- ♦ Over 20 years of public accounting and governmental experience, specializing in governmental and nonprofit organizations with concentration in special districts, including Community Development Districts which provide services including water and sewer utilities. Governmental and non-profit entities served include the following:

##### **Counties:**

St. Lucie County

##### **Municipalities:**

City of Fort Pierce

City of Stuart



## ***Commitment to Quality Service***

### **Personnel Qualifications and Experience**

**David F. Haughton, CPA (Continued)**  
Accounting and Audit Manager

#### **Professional Experience (Continued)**

##### **Special Districts:**

Bluewaters Community Development District  
Country Club of Mount Dora Community Development District  
Fiddler's Creek Community Development District #1 and #2  
Indigo Community Development District  
North Springs Improvement District  
Renaissance Commons Community Development District  
St. Lucie West Services District  
Stoneybrook Community Development District  
Summerville Community Development District  
Terracina Community Development District  
Thousand Oaks Community Development District  
Tree Island Estates Community Development District  
Valencia Acres Community Development District

##### **Non-Profits:**

The Dunbar Center  
Hibiscus Children's Foundation, Inc.  
Hope Rural School, Inc.  
Maritime and Yachting Museum of Florida, Inc.  
Tykes and Teens, Inc.  
United Way of Martin County, Inc.  
Workforce Development Board of the Treasure Coast, Inc.

- ♦ While with the Auditor General's Office he was on the staff for the state audits of the Martin County School District and Okeechobee County School District.
- ♦ During 1997 he performed a technical review of the Florida Institute of Certified Public Accountants state CPE course on Audits of State and Local Governments in Florida. His comments were well received by the author and were utilized in future updates to the course.

#### **Continuing Professional Education**

- ♦ During the past several years, he has participated in numerous professional development training programs sponsored by the AICPA and FICPA, including state conferences on special districts and governmental auditing in Florida. He averages in excess of 100 hours bi-annually of advanced training which exceeds the 80 hours required in accordance with the continuing professional education requirements of the Florida State Board of accountancy and the AICPA Private Companies Practice Section. He has over 75 hours of governmental CPE credit within the past two years.

## ***Commitment to Quality Service***

### **Personnel Qualifications and Experience**

**Rhonda Wigglesworth, CPA**  
Senior Accountant – 12 years

#### **Education**

- ♦ Florida Atlantic University, B.S. – Accounting, B.S. – Business Management

#### **Registrations**

- ♦ Certified Public Accountant – State of Florida, State Board of Accountancy
- ♦ Certified General Contractor

#### **Professional Affiliations/Community Service**

- ♦ Florida Institute of Certified Public Accountants
- ♦ American Institute of Certified Public Accountants
- ♦ Treasure Coast Builders Association
- ♦ Royal Palms of St. Lucie
- ♦ Member Sunrise Kiwanis of Fort Pierce

#### **Professional Experience**

- ♦ Twelve years public accounting experience specializing in nonprofit and governmental organizations.
- ♦ Five years private accounting experience in for profit construction company.
- ♦ Performed audits of nonprofit and governmental organizations in accordance with Governmental Accounting Auditing Standards (GAAS).
- ♦ Performed Single Audits of nonprofit organizations in accordance with OMB Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*.
- ♦ Conducted audits, reviews, and compilations of private entities and closely held corporations in accordance with Generally Accepted Accounting Principles (GAAP).
- ♦ Managed audit staff overseeing all planning, fieldwork and financial statement preparation of nonprofit, governmental and private entities.

#### **Continuing Professional Education**

- ♦ Ms. Wigglesworth has participated in numerous continuing professional education courses provided by nationally recognized sponsors to keep abreast of the latest developments.

## ***Commitment to Quality Service***

### **Personnel Qualifications and Experience**

**Brianna Huck Eplin, CPA**  
Staff Accountant – 5 years

#### **Education**

- ♦ University of Florida, B.A.– Accounting

#### **Professional Affiliations/Community Service**

- ♦ Member, Royal Palms of St. Lucie County
- ♦ Member, American Institute of Certified Public Accountants

#### **Professional Experience**

- ♦ Accounting graduate who began her career with a large regional firm providing professional services to for profit companies of all sizes, as well as high-income individuals.
- ♦ Participates in audits of nonprofit and governmental organizations in accordance with Governmental Accounting Auditing Standards (GAAS).
- ♦ Conducted reviews and compilations of private entities and closely held corporations in accordance with Generally Accepted Accounting Principles (GAAP).

#### **Continuing Professional Education**

- ♦ Ms. Eplin participates in numerous continuing professional education courses provided by nationally recognized sponsors to keep abreast of the latest developments.



## ***Commitment to Quality Service***

<b>Personnel Qualifications and Experience</b>
--

**Cameron M. Johnson, CPA**

Staff Accountant – 4 years

### **Education**

- ♦ University of Florida, B.A.– Accounting
- ♦ Florida Atlantic University, M.A.C. - Accounting

### **Professional Experience**

- ♦ Three year summer internship with Berger, Toombs, Elam, Gaines & Frank while attending college.
- ♦ Accounting graduate beginning his professional career with Berger, Toombs, Elam, Gaines, & Frank providing professional services to nonprofit and governmental entities.

### **Continuing Professional Education**

- ♦ Working to attain the requirements to take the Certified Public Accounting (CPA) exam.

## ***Commitment to Quality Service***

<b>Personnel Qualifications and Experience</b>
--

**Matthew R. Gonano**  
Staff Accountant

**Education**

- ♦ University of North Florida, B.B.A. –Accounting
- ♦ University of Alicante, Spain

**Professional Experience**

- ♦ Currently enrolled in Florida Atlantic University M.A.C. program (expected graduation summer 2014)
- ♦ Accounting graduate beginning his professional career with Berger, Toombs, Elam, Gaines, & Frank providing professional services to nonprofit and governmental entities.

**Continuing Professional Education**

- ♦ Working to attain the requirements to take the Certified Public Accounting (CPA) exam.

## ***Commitment to Quality Service***

### **Personnel Qualifications and Experience**

#### **Paul Daly**

Staff Accountant - 1 year

#### **Education**

- ♦ Florida Atlantic University, B.S. –Accounting

#### **Professional Experience**

- ♦ Accounting graduate beginning his professional career with Berger, Toombs, Elam, Gaines, & Frank providing professional services to nonprofit and governmental entities.

#### **Continuing Professional Education**

- ♦ Working to attain the requirements to take the Certified Public Accounting (CPA) exam.



## ***Commitment to Quality Service***

### **Personnel Qualifications and Experience**

**Jonathan Herman**  
Staff Accountant – 1 year

#### **Education**

- ♦ University of Central Florida, B.S. –Accounting

#### **Professional Experience**

- ♦ Accounting graduate beginning his professional career with Berger, Toombs, Elam, Gaines, & Frank providing professional services to nonprofit and governmental entities.

#### **Continuing Professional Education**

- ♦ Working to attain the requirements to take the Certified Public Accounting (CPA) exam.

## ***Commitment to Quality Service***

<b>Personnel Qualifications and Experience</b>
--

**Melissa Arnold**  
Staff Accountant

**Education**

- ♦ Indian River State College, A.A. – Accounting
- ♦ Florida Atlantic University, B.B.A. –Accounting

**Professional Experience**

- ♦ Accounting graduate beginning her professional career with Berger, Toombs, Elam, Gaines, & Frank providing professional services to nonprofit and governmental entities.

**Continuing Professional Education**

- ♦ Ms. Arnold participates in numerous continuing professional education courses provided by nationally recognized sponsors to keep abreast of the latest developments.

## ***Commitment to Quality Service***

### **Personnel Qualifications and Experience**

**Nicole Osberg**  
Staff Accountant

#### **Education**

- ♦ University of North Florida, B.S. – Accounting

#### **Professional Experience**

- ♦ Accounting graduate beginning her professional career with Berger, Toombs, Elam, Gaines, & Frank providing professional services to nonprofit and governmental entities.

#### **Continuing Professional Education**

- ♦ Ms. Osberg participates in numerous continuing professional education courses provided by nationally recognized sponsors to keep abreast of the latest developments.



# Baggett, Reutimann & Associates, CPAs PA

## Certified Public Accountants

Judson B. Baggett, MBA, CPA, CVA, Partner  
Marci Reutimann, CPA, Partner

6815 Dairy Road  
Zephyrhills, FL 33541  
Phone: (813) 788-2155  
Fax: (813) 782-8606

## System Review Report

To the Partners

October 31, 2013

Berger, Toombs, Elam, Gaines & Frank, CPAs PL

and the Peer Review Committee of the Florida Institute of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Berger, Toombs, Elam, Gaines & Frank, CPAs PL, (the firm), in effect for the year ended May 31, 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* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Berger, Toombs, Elam, Gaines & Frank, CPAs PL, in effect for the year ended May 31, 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*. Berger, Toombs, Elam, Gaines & Frank, CPAs PL, has received a peer review rating of *pass*.

  
Baggett, Reutimann & Associates, CPAs,

(PEER\_REPORT)

*PROPOSAL TO PROVIDE  
AUDIT SERVICES TO*



FLORIDA  
ATLANTIC  
UNIVERSITY

*Finance Corporation*

*Proposer:*

*S. DAVIS & ASSOCIATES, P.A.*

*Contact Person: Tanya I. Davis, Partner*

*2521 Hollywood Boulevard*

*Hollywood, Florida 33020*

*Office: (954) 927-5900*

*Fax: (954) 927-5927*

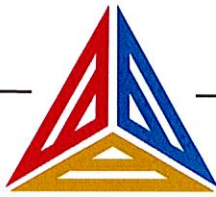
*Email: [tdavis@sdaviscpa.com](mailto:tdavis@sdaviscpa.com)*

*Web: [www.sdaviscpa.com](http://www.sdaviscpa.com)*

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## S. DAVIS & ASSOCIATES, P.A.

Certified Public Accountants & Consultants

February 28, 2014

Ms. Jessica Cohen, CPA  
Associate Controller  
Florida Atlantic University  
777 Glades Road Administration Building 10, Controller's Office  
Boca Raton, Florida 33431

**RE: Request for Proposals for Auditing Services**

Dear Ms. Cohen and Board of Directors:

The practice of S. Davis & Associates, P.A. ("SD&A") is pleased to have the opportunity to respond to your request for proposal to provide audit services to the Florida Atlantic University Finance Corporation ("Finance Corporation"), a component unit of Florida Atlantic University.

The selection of a certified public accounting firm is an important decision for the Finance Corporation. In selecting SD&A, the Finance Corporation has the opportunity to select full service auditors that have successfully demonstrated the ability to deliver responsive, quality service, combining the accessible personal contact associated with smaller firms and the sophisticated professional resources of the national accounting firms.

We feel that the professionals assigned to the engagement demonstrate one of the best indications of our commitment to serve the Finance Corporation. To ensure that you receive the highest quality service in a prompt manner, we have assembled a group of individuals who are well qualified to serve on the engagement team and will prove invaluable to you. S. Davis & Associates, P.A. has performed several engagements of component unit organizations ("CU"), authorities, and special districts including the Housing Finance Authority of Broward County. This has, no doubt, put us in the best position to conduct the Finance Corporation's audit and to deliver a timely report in a manner that is in your best interest.

The client service team is committed to performing the engagement and will not be changed without the knowledge and approval of the Finance Corporation. The Finance Corporation will maintain frequent contact with the audit team, coordinate ongoing work and will advise management of the Finance Corporation on the status of the engagement. Shaun Davis, Quality Review Partner, and Tanya Davis, Engagement Partner, will serve as representation for the Firm. Managers, Seniors, and staff, with substantial governmental audit and accounting experience will assist them. The engagement team will be available to the management of the Finance Corporation throughout the year as a technical resource. All key members of our client service team meet or exceed the continuing professional education requirements promulgated by *Government Auditing Standards*.

**HOLLYWOOD**  
2521 Hollywood Boulevard  
Hollywood, Florida 33020  
(954) 927-5900  
(954) 927-5927 Fax

**MIAMI**  
1031 Ives Dairy Road, Suite  
228  
Miami, Florida 33179  
(305) 628-1510  
(305) 628-1595 Fax

**PALM BEACH**  
8144 Okeechobee Boulevard,  
Suite B  
West Palm Beach, Florida 33411  
(561) 547-0545  
(561) 253-2747 Fax

**TALLAHASSEE**  
400 N. Adams Street  
Tallahassee, Florida 32301  
(800) 678-6091

**MEMBER**

Florida Institute of Certified Public Accountants  
New York State Society of Certified Public Accountants  
American Institute of Certified Public Accountants

We proudly make the statement that we have the qualifications, knowledge, capacity to not only meet but exceed expectations, strong desire to perform as your auditor and ability to make a significant statement that the many years have prepared us for this endeavor. We will provide a quality audit, delivered in a timely manner to meet your annual deadlines. At a minimum, all performance expectations will be met.

The Finance Corporation will be a high priority client deserving of our highest levels of responsiveness on financial, operational and compliance audit issues, and any other questions or concerns you may have. We will spare no effort in performing fieldwork on a timeline that is the least disruptive to your staff and in delivering reports by your required deadlines.

As you will see during the review of our proposal, the experience of the client service team assigned to your engagement, the firm's overall experience in auditing governmental entities, our previous successful experience in conducting auditing services for finance-related CU's and special districts and our ability to meet your established timelines makes us the best qualified firm to perform your engagement.

We look forward to serving Florida Atlantic University Finance Corporation on this engagement. In this proposal process you will undoubtedly read and hear much about such things as firm resources and client lists. In the final analysis, however, the important things are quality people and quality service at a fair price. We commit to deliver to you on both.

If you have any questions on this proposal or require any more information, please call us at (954) 927-5900. We look forward to meeting with you in the near future.

Very truly yours,

*S. Davis & Associates, P.A.*

**S. DAVIS & ASSOCIATES, P.A.**

By: Tanya I. Davis, Partner





## ABOUT THE FIRM

S. Davis & Associates, P.A. ("SD&A"), founded in 1991, has become one of the largest minority-owned CPA firms in the southeastern United States. We meet the small/minority business certifications for both Broward County and the State of Florida. In addition to our main office in Hollywood, Florida, we have offices in West Palm Beach, Miami Gardens, and Tallahassee, Florida. What started out as a one-man accounting firm has grown to over 20 employees and has expanded to include the services of information technology consulting and business consulting advice for all types of entities, both governmental and commercial. Our primary industry concentration is governmental.

A significant volume of our client base is in the public sector and our practice mix is comprised of approximately 85% audit, accounting, and tax services and 15% general consulting and information technology services. A key aspect of our service is the significant level of supervisory personnel involvement in the engagement. Our engagement partner and senior will be actively involved in all phases of the work. The quality review partner and the consulting manager will be involved as needed to fulfill the responsibilities of the audit. During our scheduled periods of fieldwork, the senior and staff will dedicate 100 percent of their time to the Finance Corporation. All other team members have been arranged to ensure our service to you is always responsive.

SD&A's philosophy is simple: hire the best people, train them well, provide opportunities for personal and professional growth, and empower them to use their skills creatively to offer innovative solutions to problems facing business and government. We have made a significant commitment to ensure that our clients receive the highest quality and most responsive service possible. It is the firm's policy to keep the key engagement team members and staff intact for multi-year assignments. This allows us to maintain efficiencies as well as ensure that the team has a thorough knowledge and understanding of the client and the client's environment. In the event any members of the team must be changed, the Finance Corporation will be notified and the replacement staff will meet or exceed the credentials and experience of the staff being replaced.

We are an Equal Opportunity employer and have a drug free workplace. We do not discriminate as to gender, race, color, creed, national origin, age or handicap in regards to our obligations, work and services provided.





## MANAGEMENT PLAN/AUDIT APPROACH

### *SD&A's Understanding of the Services Required*

We have had substantial experience in assuming new audit responsibilities. We can accomplish such transitions smoothly and efficiently. The objectives of our transition program for the Finance Corporation will be as follows:

- Enhance the quality of audit and related services to the Finance Corporation
- Minimize disruption of the Finance Corporation's personnel
- Take a fresh look at the various accounting and business operations

Our audit will include the issuance of an independent auditor's report on the financial statements of the Finance Corporation. The purpose of our audit will be to determine the extent to which the financial statements present fairly the Finance Corporation's financial position and the results of its operations in conformity with generally accepted accounting principles. We will discuss the format of the financial statements during the beginning of the audit process and will continue this discussion for any revisions necessary through financial statement issuance. We will also review your implementation methodology.

### *Preliminary Review, Interim Work and Final Year End Work*

We would commence immediately after notification of our selection as the Finance Corporation's auditors and will include the following procedures:

- Meet with the key the Finance Corporation personnel to gain an understanding of accounting principles and procedures used, reporting requirements, budgeting, planning and closing schedules. The Finance Corporation personnel will be provided with an agenda prior to this planning meeting;
- Review the predecessor auditors' reports and workpapers;
- Review the regulatory, statutory and compliance requirements;
- Evaluate the internal control structure by obtaining copies of organizational charts, budgets, and other relevant documentation and by conducting interviews with personnel;
- Coordinate weekly updates during fieldwork to include the SD&A audit team & key the Finance Corporation personnel;



- Develop a detailed audit program that allocates elements of the time budget to various audit areas based on the firm's risk assessment procedures;
- Develop tests of financial statement balances, and tests of compliance with state and county guidelines based on the results of risk assessment procedures;
- Review drafts of proposed financial statements and notes which are to be covered by the auditor's opinion, other sections of the reporting package and the Management Letter required by the State of Florida;
- Plan the audit to meet the Finance Corporation's deadlines for issuance of auditor's opinions; and
- Meet with key personnel to review the results of the audit.

We will conduct an evaluation of the internal control structure, accounting system and fraud risk in order to determine the nature and extent to which our audit procedures should be applied. Based on the conclusions reached, we will determine the timing and extent of the specific audit procedures to be performed, including the use of sampling methods to reduce the assessed level of control risk to help reduce substantive tests, and coordinate their implementation with the activities of the Finance Corporation.

Our planning and year-end audit work will involve updating and completing our examination of the financial statements and the completion and rendering of our reports. As a result of our inquiries, the majority of the accounting and reporting problems will have been identified and resolved, the completion of the audit will be efficient, and our report will be issued and distributed prior to the established deadlines. We will perform the following procedures:

- Analysis, confirmation, and tests of asset, liability, equity, revenue and expense accounts based on risk;
- Analytical review of other revenue and expense accounts comparing prior year and current year information, benchmarks, and other analytical review procedures;
- Tests of controls and compliance;
- Tests of compliance with applicable laws and regulations;
- Performance of such other auditing procedures as will be required to render an opinion on the financial statements and notes to the financial statements;





- Review of our comments and conclusions regarding internal controls and results of tests with the Finance Corporation; and
- Issuance and distribution of our opinion reports, compliance reports, and management letter to the Finance Corporation.

Using information gained from the above, coupled with a review of your trial balance, we will plan a risk-based audit and develop our audit programs, accordingly. The financial statement audit will include tests of account balances and tests of significant and effective controls. Preliminarily, financial statement areas which may require more attention may be cash, deferred revenue, due to FAU, housing and IRS interest revenue and contributions, contractual and program expenses, and investment income. This may change based on the results of risk assessment procedures performed. Test of controls are compliance in nature.

Our audit approach will be based on a thorough, up-to-date understanding of the accounting issues of FAU and the operations thereof. The approach directly links governmental industry regulations, business environmental factors, analytical review results, and our internal control evaluation to specific accounts and transactions. We provide all staff with laptop computers that use up to date auditing software that enables them to audit client records in a timely and efficient manner. We will utilize the resources of our Consulting and Information Technology department, as deemed necessary, in auditing your computer environment, as it specifically relates to significant audit areas, to further enhance the timeliness and efficiency of your audit. Through the use of information technology tools, the audit team will assess risk related to your computer environment, and evaluate and test your pertinent computer systems, including physical controls.

We will use statistical sampling procedures to the extent possible. Based on the nature of testing performed, sample sizes will typically be 25-40 items for tests of compliance and controls, and can sometimes be fewer than 25 items. In testing account balances, sample sizes will vary depending on assessed risk, the nature of the accounts being audit, the account balance and the expected level of reliance desired.

We will require the assistance of the Finance Corporation personnel in the preparation of trial balances, schedules, typing confirmations and retrieving documents.

Our procedures will be specifically designed, among other things, to:

- Evaluate internal controls and computer security through discussions with management and review of supporting documentation;





- Develop management letter comments with specific recommendations to improve operations, systems and procedures;
- Audit authorization and documentation of recorded transactions to gain audit satisfaction of data submitted to our firm by the Finance Corporation;
- Issue the audit reporting package on or before your deadline.

### ***Preparing Management Letters***

A meaningful management letter will be prepared based on our understanding of the Finance Corporation's internal controls, tests of the controls (to the extent that we can rely on the controls in place) and tests of compliance. SD&A will gain an understanding of internal controls via inquiry with management and key personnel and will determine to what extent, if any, controls can be relied on to reduce substantive testing. Based on the results of the understanding obtained through inquiry and testing, potential comments and findings, if any, will be discussed with appropriate staff and management to determine validity prior to inclusion in a draft letter. Factual, valid and meaningful comments will be compiled in the final letter to management and the governing body. The letter will include comments, recommendations and management's responses. A draft will be distributed to management and the governing body, if requested, prior to issuance of the final letter.

### ***Smooth Audit***

We believe we have an excellent record of successful audits for governmental engagements. Our experience on these audits makes us unmatched in qualifications to meet and even exceed your expectations. We will provide the Finance Corporation with a high quality, effective and efficient audit. Furthermore, a successful audit depends on effective periodic communication between the Finance Corporation and your independent auditors. We will invest a considerable amount of time before we begin the fieldwork to ensure effective planning. We invite you to participate in the planning process so that we can agree on an audit approach which would render an efficient audit and a timely report.

We expect to continue our trend of successful audits for governmental engagements. We have audited similar entities with enterprise funds for many years and expect to continue this trend into the future.



## **COST OF SERVICES**

SD&A partners will maintain frequent contact with the audit team, coordinate ongoing work and advise management on the status of the engagement.

Included in our fees are normal charges for your audit, along with responding to technical questions during both audit and non-audit periods. Additional billings can arrive out of substantial, unanticipated time spent on nonrecurring issues and assistance implementing new accounting requirements due to unforeseen circumstances. In all instances, discussion will occur with management prior to additional billings.

We strive to keep our fees at a reasonable level consistent with the highest professional standards. We will use the Finance Corporation's personnel as a resource in an effort to curtail costs.

Our current standard rates for professional services are as follows:

Partner	\$	175
Manager	\$	130
Senior	\$	100
Staff	\$	60
Administration	\$	35

The discounted engagement fee, considered the total not to exceed or maximum fee is \$19,000 for the audit.

Any proposed increases in the audit fee will be immediately discussed. This discussion will include an estimation of the increased fees and the reason for the increase.





### ***Firm's Status and License to Practice in Florida***

SD&A is properly licensed by the State of Florida to engage in the practice of independent public accounting and has been providing these services since its inception. We are a member in good standing of both the American Institute of Certified Public Accountants (AICPA) and Florida Institute of Certified Public Accountants (FICPA), and adhere to the AICPA and FICPA codes of professional ethics dealing with the practice of independent public accounting. SD&A's key professionals are also properly licensed by the State of Florida to engage in the practice of independent public accounting, as seen in our client service team organizational chart later in this proposal.

### ***Qualifications and Prior Experience***

SD&A is a member of CPAConnect/CPAmerica, a national network of independent accounting firms that provides access to knowledge and markets across the country and around the world.

CPAConnect forms one of the largest networks of independent CPA and consulting firms in the United States and along with Horwath International, forms one of the largest alliances of CPA and consulting firms in the world. Firms accepted for membership in CPAConnect/CPAmerica International must meet high standards of excellence in all aspects of practice, and then continue to pass strict quality reviews every three years. This results in the Research Corporation not only having the experience of SD&A, which is significant, but also having access to the collective experience of CPAs and business consultants across the country.

Our firm consistently completes quality audit, accounting, consulting and tax engagements meeting AICPA, FASB, GASB, OMB Circular A-133, Florida Single Audit Act, Florida Board of Accountancy, Florida Auditor General and other standards and, as stated previously, we are members in good standing of both the AICPA and the FICPA.

Since the Firm's inception, SD&A has provided audit and consulting services for governmental agencies, ranging from financial and single audits to performing agreed-upon procedures related to facilities/construction to information technology consulting, and many services in between.

### ***Governmental Experience***

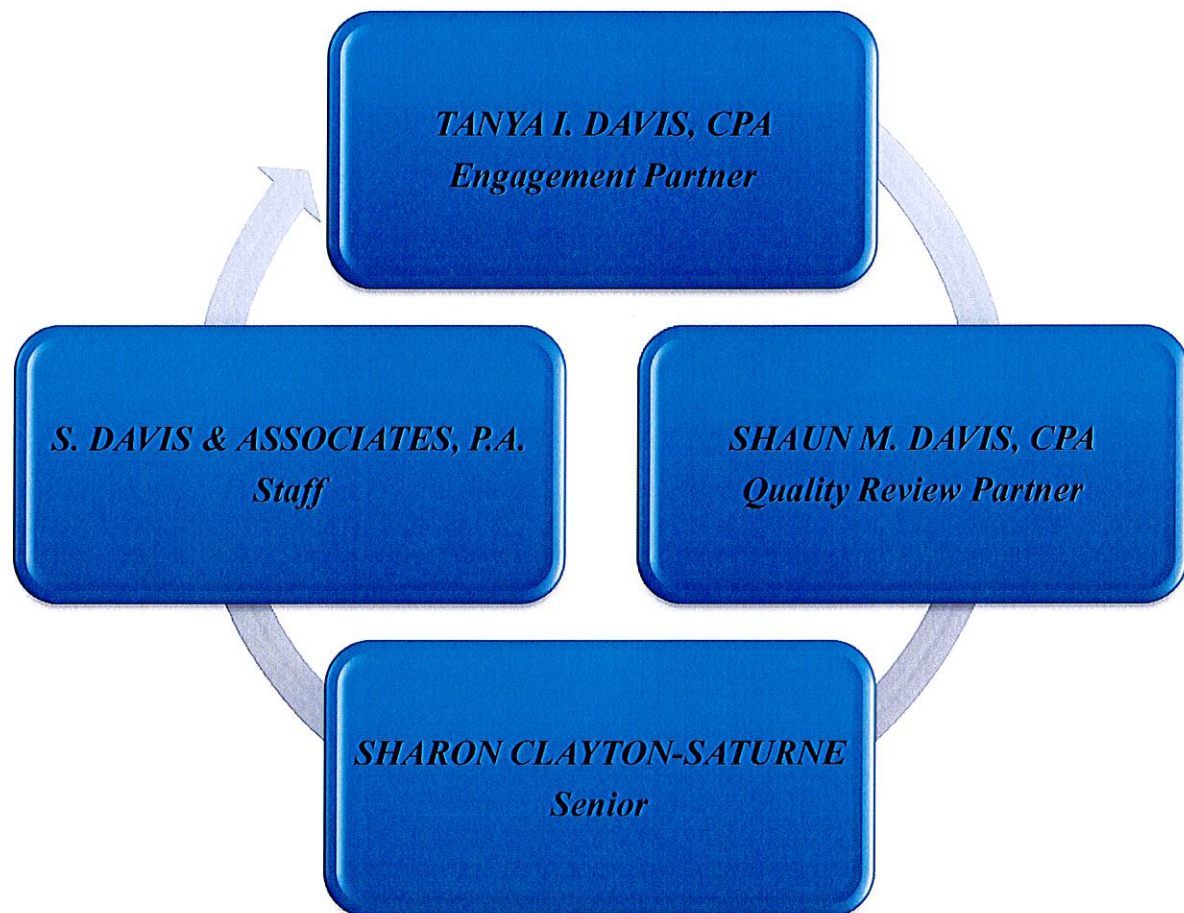
As previously mentioned, the firm has performed governmental audits since its inception. SD&A has prepared governmental financial statements including Comprehensive Annual Financial Reports for our clients receiving the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting Award. We have also performed both federal and state single audits since the firm's inception for our governmental and not-for profit clients in accordance with OMB-Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and the Florida Single Audit Act. We have significant experience issuing both financial statement and single audit reports.





## QUALIFICATIONS AND EXPERIENCE OF STAFF

### *Client Service Team Organizational Chart*





## PERSONNEL QUALIFICATIONS

### *Client Service Team Organization, Responsibilities, and Experience*

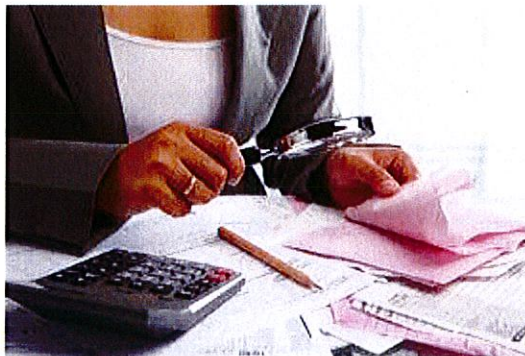
The **engagement partner** has overall responsibilities for all work performed for a client and will be the Finance Corporation's primary point of contact. Tanya I. Davis, Partner, has extensive experience in serving governmental, nonprofit, and other large, complex, computer-oriented clients and extensive project management skills. Tanya has over twenty-five years of public accounting experience.

The **quality review partner** has overall responsibility for our firm's engagements. Shaun M. Davis, Managing Partner of S. Davis & Associates, P.A., will serve in this capacity. Shaun has extensive experience in serving governmental, nonprofit, and other large, complex, computer-oriented clients. His project management skills will be invaluable on the Finance Corporation's audit. Shaun has over twenty-six years of public accounting experience and has participated in numerous consulting projects that addressed internal controls and financial projections.

The **engagement senior** is responsible for the daily supervision of the audit fieldwork. Sharon Clayton-Saturne will be assigned to the engagement. Along with Tanya, she will devote substantial attention to the planning phase of the audit and, during fieldwork, will devote 100% of her time to FAU.

The **engagement staff** will perform the audit procedures at the direction of the senior. We strive to match the interests, abilities, and experience of our staff to each engagement. Staff assigned to our government and not-for-profit services industry engagements receives specific industry training to prepare them for their assignments.

Resumes of key engagement personnel follows.



***TANYA I. DAVIS, CPA***  
***Engagement Partner***

***Professional Experience***

Tanya is the partner in charge of auditing and accounting services at S. Davis & Associates, P.A. and has over twenty years of public accounting experience, including serving in former positions as Audit Supervisor with Grant Thornton, LLP and experienced staff with PricewaterhouseCoopers. Tanya has attained pertinent audit and special services experience in the governmental industry.

***Selected Current and Former Governmental and Nonprofit Engagements***

- Florida Atlantic Research Corporation
- Florida A & M University Booster Club
- Florida Atlantic Research and Development Authority
- Broward Performing Arts Center Authority
- Broward Performing Arts Foundation
- Broward County Housing Authority
- Broward County, including Housing Finance Authority, Single Audit, Supervisor of Elections, and Health Facilities Authority
- South Florida Regional Planning Council
- City of West Park
- City of Hollywood
- City of South Bay
- School Board of Broward County
- Miami-Dade Public Schools
- Liberty City Charter School
- South Broward Hospital District

***Education and Licensing***

Cum Laude Graduate of Barry University with a Bachelor of Science degree in Accounting  
CPA licensed to practice in Florida





***SHAUN M. DAVIS, CPA***  
***Quality Review Partner***

***Professional Experience***

Shaun is the Managing Partner of S. Davis & Associates, P.A. and has over twenty-six years of public accounting experience, including serving in his former position as Audit Manager with Ernst & Young. Shaun has pertinent experience in audit and special services engagements in the governmental industry.

***Selected Current and Former Governmental and Nonprofit Engagements Served***

- Florida A & M University Booster Club
- Broward Performing Arts Center Authority
- Broward Performing Arts Foundation
- Broward County Housing Authority
- Broward County Housing Finance Authority
- South Florida Regional Planning Council
- Broward County Resource Recovery Board
- City of Hollywood
- City of West Park
- School Board of Broward County
- City of West Palm Beach
- South Broward Hospital District
- City of South Bay
- Liberty City Charter School
- Broward County Supervisor of Elections

***Education and Licensing***

Graduate of Florida State University with a Bachelor of Science degree in Accounting  
CPA licensed to practice in Florida and New York



**SHARON CLAYTON-SATURNE**  
**Engagement Senior**

***Professional Experience***

Sharon is an auditor at S. Davis & Associates, P.A. and has been with the firm for two years. She has over twenty (20) years of combined public and private experience in the accounting and audit field, including serving in her former position as an Audit Supervisor with Deloitte & Touche.

***Professional and Business Affiliations***

- Fellow with the Institute of Certified Chartered Accountants (ACCA) United Kingdom

***Selected Current and Former Governmental Engagements***

- Florida A & M University Booster Club
- Florida Atlantic Research and Development Authority
- City of West Palm Beach
- City of South Bay
- City of Lauderhill
- Palm Beach County
- University of Florida

***Education and Licensing***

Graduate of the University of Technology, Kingston, Jamaica, with a Bachelor of Business Administration in Accounting  
Passed the CPA Exam – pending licensure





### ***Similar Engagements and References***

SD&A has successfully performed financial audits in accordance with “*Government Auditing Standards*” (both as lead auditors and as sub-contractors) since the firm’s inception in 1991. The significant experience we’ve obtained in auditing financial statements has allowed us to become familiar with numerous federal and state agencies and their requirements. Pertinent governmental engagements performed in the last five years, with references, are:

<b><i>Entity</i></b>	<b><i>Scope of Work</i></b>	<b><i>Dates</i></b>	<b><i>Contact</i></b>
<i>Broward County Housing Finance Authority</i>	<i>Financial Audit Component Unit</i>	<i>1999 – 2012 present</i>	<i>Norman Howard, Assistant to Director <a href="mailto:nhoward@broward.org">nhoward@broward.org</a> (954) 357-4925</i>
<i>Florida A&amp;M University Boosters (DSO)</i>	<i>Financial Audit</i>	<i>2008 - present</i>	<i>Mickey Clayton, Director <a href="mailto:mickeyclayton@therattlerboosters.com">mickeyclayton@therattlerboosters.com</a> (850) 224-6093</i>
<i>Florida Atlantic Research and Development Authority</i>	<i>Financial Statement Audit</i>	<i>2011 - present</i>	<i>Andrew Duffell, Director <a href="mailto:aduffell@research-park.org">aduffell@research-park.org</a> (561) 416-6092</i>
<i>City of North Miami</i>	<i>CAFR Preparation</i>	<i>2012 - present</i>	<i>Stephen Johnson, City Manager <a href="mailto:stephenjohnson@northmiamifl.gov">stephenjohnson@northmiamifl.gov</a> (305) 895-9888</i>
<i>City of West Park</i>	<i>Financial Statement Audit</i>	<i>2005 –present</i>	<i>Christopher Wallace, Finance Director <a href="mailto:munilytics@mac.com">munilytics@mac.com</a> (954) 689-4804  <i>W. Ajibola Balogun, City Manager <a href="mailto:abalogun@cityofwestpark.org">abalogun@cityofwestpark.org</a> (954) 989-2688</i></i>





### ***Assurance of Staff Stability***

It is the firm's policy to keep the key engagement team members intact for multi-year assignments. This allows us to maintain efficiencies as well as ensure that the team has a thorough knowledge and understanding of the client and the client's environment. Albeit, we can never anticipate that staff will need to be changed during an engagement. However unlikely, this could occur for several reasons. Rest assured that the Finance Corporation will be notified and we will get permission from the Finance Corporation on such changes. Replacements will have substantially equivalent or better qualifications and experience. The Finance Corporation will have the right to accept or reject replacements.

### ***Independence***

SD&A is independent of the Florida Atlantic University Finance Corporation and Florida Atlantic University ("the Finance Corporation") government as defined by generally accepted auditing standards, the American Institute of Certified Public Accounts ("AICPA") and the U.S. Government Accounting Office's *Government Auditing Standards*. In addition, we affirm that none of the principals in our Firm have governance relationships with the Finance Corporation, and there exists no family ties between our principals and any of the Finance Corporation's senior management or board members. We will, however, give written notice to the Finance Corporation of any professional relationships entered into during the period of this engagement.

In addition to independence stated above, we affirm that no member of the firm's ownership, management or staff currently has a vested interest in the Finance Corporation or FAU which must be considered a conflict of interest.

### ***Firm Size and Structure***

SD&A is a local firm with national firm resources via our membership in CPAConnect/CPAmerica. We provide a full range of audit, accounting, tax, information technology and consulting services to our clients. We have a wealth of experience in the governmental industry as highlighted in this proposal. SD&A currently employs a professional staff of 19. Approximately eighty percent (80%) of the firm's professional services hours is incurred in audit and other services provided to governmental and not-for-profit entities. As previously mentioned, the Firm's policy is to keep key engagement team members and staff intact for multi-year engagements in an effort to bring about audit efficiencies that will benefit each engagement. The Finance Corporation will be notified of any necessary changes in audit staff, with replacement staff having commensurate or better experience.



### ***Local Government Expertise***

SD&A has grown, primarily, by auditing local governmental units. SD&A partners have served on the Florida Board of Accountancy (including serving as Chair of the Board), served on committees of the FICPA and are members of the Florida Government Finance Officers and City Clerks Association. Staff is also encouraged to participate in professional organizations, and do.

### ***Peer Review/Quality Control Program***

SD&A participates in a peer review program which includes review of our quality control programs and certain engagements selected by the peer reviewer every three years. Our last review was performed for the year ended November 30, 2011 and included a governmental engagement. We have received or “pass” previously termed an unqualified opinion on our quality review program since the Firm’s inception. In addition, we receive independent technical reviews of selected work, including governmental audits, by a second party, as part of our quality control program. Our November 30, 2011 peer review report is included in the attachments section of this proposal.

### ***Disciplinary Actions, Desk Reviews and Litigation***

The Firm consistently completes quality audit, accounting, consulting and tax engagements meeting FASB, GASB, Florida Board of Accountancy, Florida Auditor General and other standards. There have been no actions taken against the Firm as a result of desk or other reviews of our engagements or reviews of Firm practices performed by State and Federal agencies, or professional organizations.

SD&A is under no litigation or regulatory actions, and has no pending litigation.



Keefe, McCullough & Co., LLP  
Certified Public Accountants

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PROPOSAL FOR AUDITING SERVICES

FOR

FAU FINANCE CORPORATION  
(A component unit of  
Florida Atlantic University)





Keefe, McCullough & Co., LLP  
Certified Public Accountants

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## PROPOSAL FOR AUDITING SERVICES

FOR

FAU FINANCE CORPORATION  
(A component unit of  
Florida Atlantic University)

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Keefe, McCullough & Co., LLP  
Certified Public Accountants

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## ***ABOUT OUR FIRM***



**Keefe, McCullough & Co., LLP**  
Certified Public Accountants

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February 28, 2014

To the FAU Finance Corporation Board of Directors  
FAU Finance Corporation  
777 Glades Road  
Administration Building 10, Controller's Office  
Boca Raton, FL 33431

Dear Members of the Board:

We are happy to provide the following information about our firm and its approach to your auditing and accounting needs. It is our understanding that our proposal covers the annual financial audit of FAU Finance Corporation for the fiscal years ending June 30, 2014 through 2016.

Keefe, McCullough & Co., LLP, C.P.A.'s has grown as a firm for over forty-three (43) years and we are located in Fort Lauderdale to serve the South Florida area. Our office consists of nine partners, approximately sixty professional accounting staff members and administrative support personnel.

Our practice includes audit and review engagements, tax planning and tax return preparation, small business accounting, investment advisory services and consulting services. We believe our sustained growth can be attributed to our ability to give each client, regardless of size, personalized and timely service of the highest quality.

Our firm participates in the American Institute of Certified Public Accountants Peer Review Program and we received unmodified opinions from all of our peer reviews. We have provided the most recent peer review documentation for your reference in Section II.

Our service philosophy is based on the premise that every engagement receives personal overall supervision and attention from a firm partner or partners. This approach guarantees that the same person will be in charge of your Organization year after year. In this regard, we will be personally involved in the services our firm provides for you. In addition, while the primary purpose of our auditing services is completing the audit of your financial statements and rendering an opinion on their fairness, we pride ourselves in continually looking for, and communicating by management letter or informal discussion, recommendations that may result in more efficient operations, stronger accounting and administrative controls or cost savings to our clients.



Our firm's attention does not cease when your financial statements have been completed. We will be accessible to you throughout the year to provide consulting services, tax advice and return preparation or other necessary services when they are needed.

Our firm presently provides auditing services for a number of not-for-profit organizations, employee benefit plans, governmental entities, and other professional service companies, private and public charter schools, and various other entities. We are very proud to have served as independent auditors for Organizations similar to yours and have listed them for your reference in Section III.

We believe that our excellent record of engagement tenure is indicative of the quality and continuity of our service level, our flexibility in handling growth situations, and our ability to deal with changing client management and personnel.

Further, we have substantial experience in the areas of internal control and compliance auditing in accordance with *Government Auditing Standards* ("The Yellow Book"), Federal Single Audits in accordance with OMB Circular A-133 - *Audits of States, Local Governments, and Non-Profit Organizations*, the Florida Single Audit Act, and the Rules of the Auditor General of the State of Florida. Due to the concentration of this type of work in our practice, we provide each of our governmental and non-profit accounting staff members with at least eighty hours of continuing professional education every two years, which directly relates to governmental, other "Yellow Book" audit engagements, or the audit and attestation environment.

Our professional accounting staff level allows us to place a number of trained and supervised service "teams" in the field at the same time. Therefore, we can effectively handle multiple engagements concurrently. You will find the following members of your proposed "service team" to be interested and informed about your Organization and responsive to your needs:

William G. Benson, C.P.A.  
Israel J. Gomez, C.P.A.  
Marc A. Grace, C.P.A.

Engagement Partner  
Second Partner, Review  
Manager

A profile for each service team member is included in Section IV for your review.

Our firm recognizes that the most important product we can provide to a client is prompt and effective service of the highest quality. All our efforts, as a firm, are directed towards achieving that goal. We are confident we can serve you to your complete satisfaction and we are committed to utilizing the highest level of skills available in our firm to provide a service level beyond your expectations.

Our fee for services rendered will be based upon the difficulty of your engagement and the time and skill level of our personnel assigned. Work is assigned, according to its complexity, to the appropriate member of our staff.

Our proposed fees for the fiscal years ended June 30, are:

2014	\$	16,500
2015	\$	17,000
2016	\$	17,500

An invoice for the service provided will be presented at the completion of the engagement or at the end of each semi-monthly billing period, whichever occurs first. Payment of our invoice is due when rendered.

Keefe, McCullough & Co., LLP, C.P.A.'s is committed to performing the auditing services within the prescribed time frame as outlined in the Organization's request for proposal, beginning with the fiscal year ending June 30, 2014.

We appreciate this opportunity to present our firm for your consideration, and we thank you for your interest. We know that the Keefe, McCullough & Co., LLP service philosophy will best serve your Organization's present and future auditing needs.

Regards,

KEEFE, McCULLOUGH & CO., LLP



William G. Benson, C.P.A.



Israel J. Gomez, C.P.A.



Keefe, McCullough & Co., LLP  
Certified Public Accountants

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## ***PEER REVIEW DOCUMENTS***





**Abbott, Jordan & Koon, LLC**

CERTIFIED PUBLIC ACCOUNTANTS

P.O. Box 609 □ 405 Second Street □ Manchester, GA 31816  
(706) 846-8401 □ Fax (706) 846-3370

**SYSTEM REVIEW REPORT**

To the owners  
Keefe, McCullough & Co., LLP  
And the Peer Review Committee of the Florida Institute of CPA's

We have reviewed the system of quality control for the accounting and auditing practice of Keefe, McCullough & Co., LLP (the firm) in effect for the year ended August 31, 2011. Our 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. 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/summary](http://www.aicpa.org/summary).

As required by the standards, engagements selected for review included engagements performed under the *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Keefe, McCullough & Co., LLP in effect for the year ended August 31, 2011, 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*. Keefe, McCullough & Co., LLP has received a peer review rating of *pass*.

A handwritten signature in black ink, appearing to read 'Abbott, Jordan &amp; Koon', written over the printed name.

Manchester, Georgia  
December 7, 2011

## PEER REVIEW DOCUMENTS



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



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

April 24, 2012

Joseph D. Leo, CPA  
Keefe, McCullough & Co., LLP  
6550 N. Federal Hwy., Ste. 410  
Fort Lauderdale, FL 33308

Dear Mr. Leo:

It is my pleasure to notify you that on April 24, 2012 the Florida Peer Review Committee accepted the report on the most recent system peer review of your firm. The due date for your next review is February 28, 2015. This is the date by which all review documents should be completed and submitted to the administering entity. If your due date falls between January and April, you can arrange to have your review a few months earlier to avoid having a review during tax season.

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

Sincerely,

Paul N. Brown  
Director of Technical Services  
brownp@ficpa.org

cc: David C. Jordan, CPA

Firm Number: 10036786

Review Number: 327539





## PEER REVIEW PROGRAM

is proud to present this

### Certificate of Recognition

to

**KEEFE, MCCULLOUGH & COMPANY, LLP**

*For having a system of quality control for its accounting and auditing practice in effect for the year ended August 31, 2011 which has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA, and which was complied with during the year then ended to provide the firm with reasonable assurance of conforming with professional standards.*

*Jacey C. Golden*

Jacey Golden, Chair  
AICPA Peer Review Board  
2012





Keefe, McCullough & Co., LLP  
Certified Public Accountants

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## ***RELEVANT EXPERIENCE AND REFERENCES***

## RELEVANT EXPERIENCE

Our firm presently serves as independent auditors or accountants for the following related companies:

1000 Club to Benefit Cancer, Inc.  
Alzheimer's Family Center, Inc.  
Archways, Inc.  
Association for Retarded Citizens, South Florida, Inc.  
Better Way of Miami, Inc.  
Big Brothers / Big Sisters of Broward, Inc.  
Broward Children's Center, Inc.  
Broward College Foundation  
Broward County League of Cities, Inc.  
Broward House, Inc.  
Center for Family and Child Enrichment, Inc.  
Children's Healing Institute  
Children's Services Council of Broward County, Inc.  
Children's Services Council of Palm Beach County, Inc.  
Community Foundation of Broward, Inc.  
Community Television Foundation of South Florida, Inc.  
The Dan Marino Foundation, Inc.  
Domestic Abuse Shelter, Inc.  
Electrical Generating Systems Association  
Feeding South Florida, Inc.  
Florida Atlantic University Foundation, Inc.  
Fort Lauderdale Historical Society, Inc.  
Foundation for End of Life Care, Inc.  
Gold Coast Jazz Society, Inc.  
Habitat for Humanity of Palm Beach County, Inc.  
HANDY, Inc.  
Healthy Start Coalition of Palm Beach County, Inc.  
Henderson Center Residential Services, Inc.  
Henderson Behavioral Health Center, Inc.  
Impact Broward, Inc.  
Junior Achievement of South Florida, Inc.  
Monroe County Educational Foundation, Inc.  
WPBT Communication Foundation, Inc.

## REFERENCES

You may call the following individuals concerning our firm's capabilities, accessibility and responsiveness.

Mr. Steve Nolte, Chief Financial Officer

**Broward House, Inc.**

1726 S.E. 3rd Avenue  
Ft. Lauderdale, FL 33316  
954-522-4749

Ms. Lauren Weinstein, Chief Financial Officer

**The Dan Marino Foundation, Inc.**

400 North Andrews Avenue  
Ft. Lauderdale, FL 33301  
954-530-5511

Ms. Erica M. Ricketts, M.B.A., CFO

**Henderson Behavioral Health Center, Inc.**

4740 North State Road 7, #201  
Ft. Lauderdale, FL 33319  
954-777-1662

Ms. Jessica O. Raderstorf, Chief Financial Officer

**Junior Achievement of South Florida, Inc.**

1130 Coconut Creek Boulevard  
Coconut Creek, FL 33066  
954-979-7100

Mr. John Locke, Comptroller

**Take Stock in Children, Inc.**

8600 N.W. 36th Street, # 500  
Miami, FL 33166  
876-369-5134





Keefe, McCullough & Co., LLP  
Certified Public Accountants

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## ***SERVICE TEAM MEMBER PROFILES***



# Israel J. Gomez, C.P.A.

## Partner

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### Education

University of Puerto Rico	BA degree	Major - accounting
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### Career Experience

Keefe, McCullough & Co., LLP, C.P.A.'s Popular, Inc.	Partner Officer	12 years 4 years
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### Engagement Experience

Keefe, McCullough & Co., LLP, C.P.A.'s  
Audit Engagements:

#### Not-for-Profits

- Achievement and Rehabilitation Centers, Inc.
- American Red Cross of Greater Miami and the Keys, Inc.
- Association for Retarded Citizens of South Florida, Inc.
- BARC Housing, Inc.
- Better Way of Miami, Inc.
- Broward Children's Center, Inc.
- Broward County Chapter of the American Red National Cross, Inc.
- Broward Healthy Start Coalition, Inc.
- Broward Homebound Program, Inc.
- Broward House, Inc.
- CCDH, Inc.
- Center for Family and Child Enrichment, Inc.
- Cerebral Palsy Adult Home, Inc.
- Children's Comprehensive Care Center, Inc.
- The Children's Healing Institute, Inc.
- Children's Services Council of Broward County, Inc.
- Children's Services Council of Palm Beach County, Inc.
- Community Television Foundation of South Florida, Inc.
- The Dan Marino Foundation, Inc.
- Domestic Abuse Shelter, Inc.
- Episcopal Church of St. Mark the Evangelist
- Feeding South Florida, Inc.
- First Presbyterian Continuing Church of Coral Springs, Inc.
- Florida International Academy, Inc.
- Fort Lauderdale Historical Society, Inc.
- Foundation for End of Life Care, Inc.
- Habitat for Humanity of Palm Beach County, Inc.
- The Haven, Inc.
- Healthy Start Coalition of Palm Beach County, Inc.
- Helping Abuse Neglected Disadvantaged Youth, Inc. (HANDY)
- Henderson Center Residential Service, Inc.
- Henderson Behavioral Health Center, Inc.
- Impact Broward, Inc.
- Jerome Golden Center - Inpatient Report
- Jerome Golden Center for Behavioral Health, Inc.
- Junior Achievement of South Florida, Inc.
- Place of Hope, Inc.
- Port of Everglades Pilots Association, Inc.
- Riverside Christian Ministries, Inc.
- South County Mental Health Center, Inc.

- SEFLIN (Southeast Florida Library Information Network) - Wimberly Library
- St. Mark's Episcopal School
- South Florida Chapter of the Government Finance Officers Association, Inc.
- Southeast Florida Behavioral Health Network, Inc.
- Take Stock in Children, Inc.
- Thousand Hills Holding Company, Inc.
- Treasures for Hope, Inc.
- United States Border Control, Inc.
- Village of Hope of Palm Beach County, Inc.
- Women in Distress of Broward County, Inc.

## **Other Experience**

Attended numerous seminars and courses dealing with accounting and audit problems, reporting and disclosure issues (these include accounting and reporting for nonprofit organizations, governmental entities and the Federal and Florida Single Audit Acts).

Experienced and qualified with respect to "Yellow Book," OMB Circular A-133 and Rules of the Auditor General of the State of Florida compliance auditing and reporting.

Participated in various seminars and in-house training programs concerning the requirements of GASB-34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments (the Financial Reporting Model).

Speaker for several seminars pertaining to current Federal Accounting Standards Board (FASB) and Government Accounting Standards Board (GASB) pronouncements and regulations.

Assisted municipalities and other governmental entities in planning for and implementing GASB-34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments (the Financial Reporting Model).

Involvement with various municipalities regarding their participation in the Certificate of Achievement for Excellence in Financial Reporting program.

## **Community Involvement**

Member of the Florida Government Finance Officers' Association

Member of the South Florida Government Finance Officers' Association

Continuing involvement coaching various youth sports activities





# William G. Benson, C.P.A.

## Partner

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### Education

Washington and Lee University	BS degree	Major - accounting
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### Career Experience

Keefe, McCullough & Co., LLP, C.P.A.'s	Partner	29 years
Coopers & Lybrand, C.P.A.'s	Senior	2 years

### Engagement Experience

Keefe, McCullough & Co., LLP, C.P.A.'s  
Audit Engagements:

#### *Not-for-Profits*

- Archways, Inc.
- Alzheimer's Family Center, Inc.
- Broward County Chapter of the American Red National Cross, Inc.
- Center for Family and Child Enrichment, Inc.
- Dan Marino Foundation
- Feeding South Florida, Inc.
- First Presbyterian Continuing Church of Coral Springs, Inc.
- Habitat for Humanity of Palm Beach County, Inc.
- Henderson Mental Health Center, Inc.
- Junior Achievement of South Florida, Inc.
- North Pompano Baptist Church Holding Company, Inc.
- Oakwood Center of the Palm Beaches, Inc.
- St. Mark's Episcopal School
- The Slomin Family Center for Autism
- South County Mental Health Center, Inc.
- Women in Distress of Broward County, Inc.

### Other Experience

Attended seminars and courses dealing with accounting and audit problems, reporting and disclosure issues (these courses include accounting and reporting for nonprofit organizations, governmental entities and the Federal and Florida Single Audit Acts)

Experienced and qualified with respect to "Yellow Book", OMB Circular A-133 and Rules of the Auditor General of the State of Florida compliance auditing and reporting

Served as an appointed "at large" member of the Florida Bar Seventeenth Judicial Circuit Grievance Committee "C"

Attended numerous seminars and courses dealing with accounting, auditing and taxation of employee benefit plans

Litigation support services in the areas of business valuations, business losses, contract settlements and divorce issues

Experience in dealing directly with the State of Florida Department of Children and Families concerning various compliance, audit and other issues

Special consulting partner regarding due diligence engagements and the acquisition of companies

Worked with underwriters regarding various certifications required in connection with the Florida Community Provider Pooled Loan Program and various bond issuances

Assisted clients with restructuring their existing loan agreements and bond indentures

Partner in charge of special audit procedures engagement of an Emergency Medical Services Company

Special consultant to Seventeen City Coalition (a Partnership of seventeen Broward municipalities) regarding special audit procedures of Broward County's Emergency Medical System records and negotiations with Broward County management

Extensive experience regarding accounting and tax issues of Limited Liability Companies (LLC's)

Experience in the development of annual operating budgets for municipalities, churches and schools

Consulting partner on State of Florida Broward County Health Department audit

Experience in assisting clients in dealings with financial institutions

Experience in assisting clients with the development of business plans, financial planning and proforma financial statements

Consulting assistance in the analysis of potential investment opportunities in a variety of industries. The analysis included due diligence procedures on both historical financial information and projected future financial results

Assistance in the planning for Family Limited Partnerships and other estate planning strategies

Consulting assistance to a court appointed reviewer regarding dispute among stockholders of various companies

## **Community Involvement**

Vice President of the Board of Directors of St. Thomas Aquinas High School Foundation

Vice President of the Board of Directors of Food for the Poor

Treasurer of the Catholic Community Foundation of the Archdiocese of Miami

Member of the Finance Council of the Archdiocese of Miami

Member of St. Gregory the Great Catholic School Advisory Board

Past Treasurer of St. Gregory the Great Catholic School

Appointed to the Broward County, Florida Homeless Initiative Partnership

Member and Officer in Knights of Columbus

Member of the Leadership Broward Foundation, Inc.

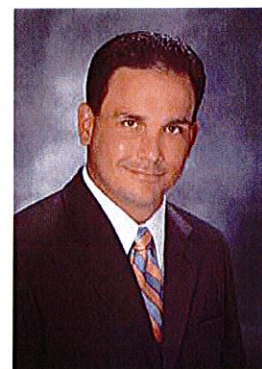
Graduate of, and continuing involvement in, the Leadership Broward Program

Past President and Treasurer of the Executives of Broward

# Marc A. Grace, C.P.A.

## Manager

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### Education

Nova Southeastern University	BA degree	Major - business administration
Nova Southeastern University	MACC degree	Accounting

### Career Experience

Keefe, McCullough & Co., LLP, C.P.A.'s City of Plantation	Manager Fixed assets/ accounts payable	7 years 1 year
Morgan Stanley	Financial advisor	2 years

### Engagement Experience

Keefe, McCullough & Co., LLP, C.P.A.'s  
Audit Engagements:

#### Not-for-Profits

- Achievement and Rehabilitation Centers
- Almarie Outreach Ministries, Inc.
- Ann Storck Center, Inc.
- BARC Housing, Inc.
- Broward House, Inc.
- Center for Family and Child Enrichment, Inc.
- Community Television Foundation of South Florida, Inc.
- Community Foundation of Broward, Inc.
- Dan Marino Foundation, Inc.
- Feeding South Florida, Inc.
- Florida Atlantic University Foundation, Inc.
- The Slomin Family Center for Autism and Related Disabilities, Inc.
- South County Foundation for Mental Health
- South County Mental Health Center, Inc.
- WPBT Communications Foundation, Inc.

### Other Experience

Attended numerous seminars and courses dealing with accounting and audit problems, reporting and disclosure issues (these include accounting and reporting for nonprofit organizations, governmental entities and the Federal and Florida Single Audit Acts)

Experienced and qualified with respect to "Yellow Book", OMB Circular A-133 and Rules of the Auditor General of the State of Florida compliance auditing and reporting