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PRELIMINARY AGENDA

THE GULF CONSORTIUM Finance and Budget Committee Meeting

September 11, 2019, 4:00 p.m. Eastern

**GoToMeeting
Dial-in Number: +1 (646) 749-3129
Participant Passcode: 773-744-389**

Committee Members

**Chair - Scott Carnahan (Citrus), Vice-Chair - Lane Lynchard (Santa Rosa) Matt Posner
(Escambia County), Smokey Parrish (Franklin County)**

Item 1. Call to Order.

Committee Chair Carnahan (Citrus) will call the meeting to order.

Item 2. Roll Call and Welcome of New Members.

Valerie Seidel (The Balmoral Group) will call the roll.

Item 3. Consent Agenda.

The consent agenda items are presented for approval. Commissioners may remove any items from this agenda that they have questions on or would like the Committee to discuss in depth. Any items removed would then be included in the regular agenda in an order assigned by the Chair.

Consent Agenda Items:

The minutes of the following meetings are presented for approval.

- June 13, 2019 – Finance and Budget Committee Meeting.

(Please see back up pages 6-9)

Item 4. Additions or Deletions.

Any additions or deletions to the committee meeting agenda will be announced.

RECOMMEND: Approval of a final agenda.

Item 5. Public Comments.

The public is invited to provide comments on issues that are on today's agenda.

Item 6. Financial Statements through August 2019.

The financial statements through August 2019 are presented for Committee approval. These schedules include: Balance Sheet; Income Statement; Cash Receipts Journal, and Cash Disbursements Journal.

(Please see back up pages 10-17)

RECOMMEND: Recommend approval of the financial statements to the full Board through August 2019.

Item 7. August 2019 Budget Summary and Project Status Expenditure Reports.

The Budget Summary and the Project Status Expenditure Report for August 2019 are presented for Committee review.

(Please see back up pages 18-20)

Item 8. August 2019 Trust Fund Report.

Staff has prepared a report on the Trust Fund balance, indicating grant funding amounts that are pending, approved, and scheduled for draw down.

(Please see back up pages 21-25)

Item 9. Delegation of Authority Report.

Staff has prepared a report on Delegation of Authority actions that the General Manager has made from May 1, 2019 through August 31, 2019, for Committee information.

(Please see back up pages 26-27)

Item 10. Grant Funding by County.

Staff has prepared a report listing the total grants by county with associated management, legal and fiscal agent fees. A second report compares each county in total.

(Please see back up pages 28-31)

Item 11. Proposed Budget.

Staff has prepared a proposed budget for fiscal year 2019/2020.

RECOMMEND: Recommend approval of the proposed budget to the full Board.

(Please see back up pages 32-34)

Item 12. Audit Contract Renewal.

The contract with the audit firm is scheduled for renewal in November 2019.

RECOMMEND: Recommend exercising the two year extension option of the agreement to the full Board.

(Please see back up pages 35-112)

Item 13. Proposed Members for Risk & Audit Committee.

Propose members and schedule for the Risk & Audit committee.

(Please see back up pages 113-115)

Item 14. Policy Review Committee.

Propose members – most revisions will be in Accounting and Finance. Propose that the review of the OSA is part of the policy review.

(Please see back up pages 116-118)

Item 15. **Public Comments.**

The public is invited to provide comments on issues that are on NOT today's agenda.

Item 16. **Adjournment.**

If a person decides to appeal any decision made by the board, agency, or commission with respect to any matter considered at such meeting or hearing, he or she will need a record of the proceedings, and that, for such purpose, he or she may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

Notice of Meeting/Workshop Hearing

OTHER AGENCIES AND ORGANIZATIONS

Gulf Consortium

The Gulf Consortium announces a public meeting of its Finance and Budget Committee via communications media technology to which all persons are invited to participate.

DATE AND TIME: September 11, 2019 at 4:00 pm (ET)

PLACE: This meeting will be conducted via communications media technology (teleconference). Interested persons may participate by telephone via the following:

Dial in Number +1 (646) 749-3129

Participant Passcode: 773-744-389

Interested persons may also participate in the meeting at the following location, at which communications media technology will be provided:

The Balmoral Group, 165 Lincoln Avenue, Winter Park, FL 32789

GENERAL SUBJECT MATTER TO BE CONSIDERED: The Finance and Budget Committee of the Gulf Consortium will conduct a Finance and budget review meeting, consisting of a detailed review of Consortium financials. A copy of the agenda may be obtained at www.gulfconsortium.org or by contacting: General Manager at 407-629-2185 or Gulf.Consortium@balmoralgroup.us.

Pursuant to the provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this workshop/meeting is asked to advise the agency at least 3 days before the workshop/meeting by contacting the General Manager at 407-629-2185 or Gulf.Consortium@balmoralgroup.us. If you are hearing or speech impaired, please contact the agency using the Florida Relay Service, 1-800-955-8771 (TDD) or 1-800-955-8770 (Voice).

If any person decides to appeal any decision made by the Finance and Budget Committee with respect to any matter considered at this meeting, he/she may need to ensure that a verbatim record of the proceeding is made, which record includes the testimony and evidence from which the appeal is to be issued.

For more information, please contact the General Manager at 407-629-2185 or Gulf.Consortium@balmoralgroup.us.



<u>County</u>	<u>Finance Committee Member</u>	<u>Present</u>
Citrus	Scott Carnahan	
Escambia	Matt Posner	
Franklin	Smokey Parrish	
Santa Rosa	Lane Lynchard	

AGENDA ITEM 3

**Gulf Consortium Finance and Budget Committee Meeting
September 11, 2019**

**Agenda Item 3
Approval of June 13, 2019 Minutes**

Statement of Issue:

Request to approve the minutes of the June 13, 2019 meeting of the Gulf Consortium Finance and Budget Committee.

Options:

- (1) Approve the June 13, 2019 minutes as presented; or
- (2) Amend and then approve the minutes.

Recommendation:

Motion to approve Option 1.

Prepared by:

Amanda Jorjorian, The Balmoral Group
On: September 4, 2019

Attachment:

Draft Minutes, June 13, 2019 meeting of the Gulf Consortium Finance and Budget Committee.

Action Taken:

Motion to: _____, Made by: _____;

Seconded by: _____.

Approved____; Approved as amended____; Defeated_____.

Gulf Consortium Finance and Budget Committee Meeting
June 13, 2019, Time 1:00p.m. (Eastern)
Hyatt Regency Orlando 9801 International Drive, FL 32819

Members in Attendance: Matt Posner (Escambia), Lane Lynchard (Santa Rosa) (Phone), Smokey Parrish (Franklin)

Also in Attendance: Valerie Seidel (The Balmoral Group), Dan Dourte (The Balmoral Group), Richard Bernier (The Balmoral Group) Evan Rosenthal (Nabors, Giblin & Nickerson)

Agenda Item 1 – Call to Order

Valerie Seidel (The Balmoral Group) called the meeting to order at 1:00pm (ET).

Agenda Item 2 – Roll call

Valerie Seidel (The Balmoral Group) called the roll. Commissioner Carnahan was not able to make the meeting due to a family emergency. Quorum was achieved.

Agenda Item #3 – Consent Agenda

The meeting minutes for the April 24th, 2019 meeting of the Finance and Budget Committee were presented for approval. Matt Posner (Escambia) commented about a misspelled word in Agenda Item 7. Lane Lynchard (Santa Rosa) made the motion to approve after revision, seconded by Smokey Parrish (Franklin).

ACTION: APPROVED

Agenda Item #4 – Additions or Deletions

There were no additions or deletions to the agenda. Matt Posner (Escambia) made the motion to approve the final addition, seconded by Lane Lynchard (Santa Rosa).

ACTION: APPROVED

Agenda Item #5 – Public Comments

None

Agenda Item#6-Financial Statements for April 2019

Valerie Seidel (The Balmoral Group) provided the balance sheet, profit and loss statement, cash receipts journal and cash disbursements journal for review by the committee. Lane Lynchard (Santa Rosa) commented that he appreciated the revision to the format of the statements. Matt Posner (Escambia) asked what the payment was to the Florida Department of State. Valerie answered that they were special district fees as well as FAR notices for the meetings.

Agenda Item #7-April 2019 Budget Summary and Project Status Expenditure Reports

Valerie Seidel (The Balmoral Group) presented the budget summary and status of project expenditures to date. There were no comments or questions on this item.

Agenda Item #8-April 2019 Trust Fund Report

Valerie Seidel introduced Richard Bernier of The Balmoral Group who prepared a report on the trust fund balance, indicating grant funding amounts that are pending, approved and scheduled for draw down. This format would be used going forward. Matt Posner (Escambia) asked if they could forecast how much each county would receive. Valerie replied that they had gone out three years for the estimate but the cost structure would change after new grants come in and it is difficult to know when the counties will be ready. Matt Posner also asked about the banks fees reduction

which was noted at a previous board meeting. Valerie replied that they were in conversation with Leon County regarding those fees.

Agenda Item #9-Delegation of Authority Report.

The Balmoral Group prepared a report on Delegation of Authority actions that the General Manager made October 1, 2018 – April 30, 2019 for committee information. She noted the need to be able to execute contracts without having the chair sign them. The procurement policy currently states that staff has the authority to execute grant approval, but explicit language delegating authority to execute grant agreements would be preferable and is an agenda item for the full board meeting.

Agenda Item #10-Consideration of Additional Committee Members

Executive Committee recommended to the full board for review and approval of the additional finance and budget committee members. It is challenging to achieve quorum with only 4 members. Commissioner Smokey Parrish commented that he is in favor of additional committee members.

Agenda Item #11-Public Comment.

No public comment. Valerie asked if there were any comments from the Finance Committee on the format and content of the agenda. Lane Lynchard (Santa Rosa) was pleased and said the charts were helpful. Commissioner Smokey Parrish agreed and reiterated the need for additional committee members with expertise.

Agenda Item #10-Adjourn

There being no further business, the meeting adjourned at 1:30.

AGENDA ITEM 6

**Gulf Consortium Finance and Budget Committee Meeting
September 11, 2019**

**Agenda Item 6
Financial Statements**

Statement of Issue:

Presentation of the most recent monthly financial statements.

Background:

Financial Statements are produced monthly for the Consortium. Additionally, attachments include a listing of the cash receipts and cash disbursements for the fiscal year.

Attachments:

- a) Balance Sheet through August 31, 2019
- b) Income Statement through August 31, 2019
- c) Cash Receipts May 1 through August 31, 2019
- d) Itemized Cash Disbursements May 1 through August 31, 2019

Prepared by:

Richard Bernier
The Balmoral Group
On: September 5, 2019

Gulf Consortium
Balance Sheet
As of August 31, 2019

Aug 31, 2019

ASSETS

Current Assets

Checking/Savings

Seaside Bank (Operating) 78,363.42

Wells Fargo Account (Grant) 302.64

Total Checking/Savings 78,666.06

Accounts Receivable

Gen - Fund Accounts Receivable 4,135.00

Total Accounts Receivable 4,135.00

Other Current Assets

Prepaid - Grant 33,472.40

SSEP Grant Funds 12,609.30

AR Other 18,000.00

Total Other Current Assets 64,081.70

Total Current Assets 146,882.76

TOTAL ASSETS 146,882.76

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

Accounts Payable - Grant 25,169.40

Accounts Payable 11,695.22

Total Accounts Payable 36,864.62

Other Current Liabilities

Accrued Liabilities - Grant 12,609.30

Total Other Current Liabilities 12,609.30

Total Current Liabilities 49,473.92

Total Liabilities 49,473.92

Equity

Unrestricted Net Assets 154,486.03

Net Income (57,077.19)

Total Equity 97,408.84

TOTAL LIABILITIES & EQUITY 146,882.76

Gulf Consortium Profit & Loss

October 2018 through August 2019

	<u>General Fund</u>	<u>PSEP Grant</u>	<u>SSEP Grant</u>	<u>Unclassified</u>	<u>TOTAL</u>
Income					
Grant Income	-	-	187,506.30	-	187,506.30
County Dues Funding	70,025.00	-	-	-	70,025.00
Planning Grant		27,378.75			27,378.75
Total Planning Grant	<u>-</u>	<u>27,378.75</u>	<u>-</u>	<u>-</u>	<u>27,378.75</u>
Total Income	70,025.00	27,378.75	187,506.30	-	284,910.05
Expense					
Software	-	-	4,847.00	-	4,847.00
Reporting Fees	142.24	-	-	-	142.24
SSEP Grant Expenses	-	-	-	-	-
Legal	26,011.38	-	47,381.80	-	73,393.18
Management Fees	73,042.47	9,378.75	135,277.50	-	217,698.72
Accounting	-	18,000.00	-	-	18,000.00
Meeting Expense	26,091.28	-	-	-	26,091.28
Bank Service Charges	1,639.82	-	-	-	1,639.82
Special District Fees	175.00	-	-	-	175.00
Total Expense	<u>127,102.19</u>	<u>27,378.75</u>	<u>187,506.30</u>	<u>-</u>	<u>341,987.24</u>
Net Income	<u>(57,077.19)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(57,077.19)</u>

Gulf Consortium
Deposit Detail
May through August 2019

	<u>Type</u>	<u>Num</u>	<u>Date</u>	<u>Name</u>	<u>Account</u>	<u>Amount</u>
	Deposit		07/01/2019		Seaside Bank (Operating)	187,506.30
	Payment		07/01/2019	ASAP.gov	SSEP Grant	(187,506.30)
TOTAL						(187,506.30)
	General Journal	51	07/31/2019		Seaside Bank (Operating)	3,825.00
				Wizehive	Software	(3,825.00)
TOTAL						(3,825.00)
	General Journal	54	08/30/2019		Seaside Bank (Operating)	35.00
				SunTrust	Bank Service Charges	(35.00)
TOTAL						(35.00)

Gulf Consortium
Check Detail
May through August 2019

	Type	Num	Date	Name	Item	Account	Paid Amount	Original Amount
	Check		05/16/2019			Wells Fargo Account (Grant)		-85.03
						Bank Service Charges	-85.03	85.03
TOTAL							-85.03	85.03
	Bill Pmt -Check		07/11/2019	NGN		Wells Fargo Account (Grant)		-47,381.80
	Bill	40685	10/31/2018			Legal	-14,537.50	14,537.50
	Bill	40686	11/30/2018			Legal	-15,125.00	15,125.00
	Bill	40684	12/31/2018			Legal	-3,062.50	3,062.50
	Bill	40687	12/31/2018			Legal	-4,087.50	4,087.50
	Bill	40947	03/14/2019			Legal	-10,256.80	10,256.80
	Bill	40948	03/14/2019			Legal	-312.50	312.50
TOTAL							-47,381.80	47,381.80
	Bill Pmt -Check		07/11/2019	The Balmoral Group, LLC		Wells Fargo Account (Grant)		-135,277.50
	Bill	2462.01	03/15/2019			Management Fees	-135,277.50	135,830.00
TOTAL							-135,277.50	135,830.00
	Check		07/11/2019			Wells Fargo Account (Grant)		-170.07
						Bank Service Charges	-170.07	170.07
TOTAL							-170.07	170.07
	Bill Pmt -Check	168	07/11/2019	WizeHive, Inc.		Seaside Bank (Operating)		-4,294.50
	Bill	102822	01/28/2019			Software	-4,294.50	4,294.50
TOTAL							-4,294.50	4,294.50
	Bill Pmt -Check		08/28/2019	The Balmoral Group, LLC		Seaside Bank (Operating)		-34,532.00

Gulf Consortium

Check Detail

May through August 2019

	<u>Type</u>	<u>Num</u>	<u>Date</u>	<u>Name</u>	<u>Item</u>	<u>Account</u>	<u>Paid Amount</u>	<u>Original Amount</u>
	Bill	2461.09	07/29/2019			Management Fees	-34,532.00	34,532.00
TOTAL							-34,532.00	34,532.00
	Bill Pmt -Check	161	05/03/2019	FL Dept. of State		Seaside Bank (Operating)		-107.66
	Bill	903039	03/26/2019			Meeting Expense	-32.90	32.90
	Bill	903384	04/29/2019			Meeting Expense	-74.76	74.76
TOTAL							-107.66	107.66
	Bill Pmt -Check	162	05/03/2019	Warren Averett, LLC		Seaside Bank (Operating)		-5,000.00
	Bill	1231201	04/29/2019			Accounting	-5,000.00	5,000.00
TOTAL							-5,000.00	5,000.00
	Bill Pmt -Check	164	06/11/2019	FL Dept. of State		Seaside Bank (Operating)		-41.58
	Bill	903780	05/29/2019			Meeting Expense	-41.58	41.58
TOTAL							-41.58	41.58
	Bill Pmt -Check	165	06/05/2019	NGN		Seaside Bank (Operating)		0.00
TOTAL							0.00	0.00
	Bill Pmt -Check	166	06/05/2019	NGN		Seaside Bank (Operating)		-9,779.06
	Bill	41121	04/25/2019			Legal	-3,233.56	3,233.56
	Bill	41123	04/25/2019			Legal	-1,137.50	1,137.50
	Bill	41348	06/05/2019			Legal	-3,383.00	3,383.00
	Bill	41350	06/05/2019			Legal	-2,025.00	2,025.00
TOTAL							-9,779.06	9,779.06
	Bill Pmt -Check	167	07/10/2019	FL Dept. of State		Seaside Bank (Operating)		-63.56

Gulf Consortium

Check Detail

May through August 2019

	Type	Num	Date	Name	Item	Account	Paid Amount	Original Amount
	Bill	903975	06/11/2019			Meeting Expense	-63.56	63.56
TOTAL							-63.56	63.56
	Bill Pmt -Check	168	07/01/2019	WizeHive, Inc.		Seaside Bank (Operating)		-8,855.50
	Bill	102822	01/28/2019			Software	-8,855.50	8,855.50
TOTAL							-8,855.50	8,855.50
	Bill Pmt -Check	169	07/31/2019	Warren Averett, LLC		Seaside Bank (Operating)		-5,000.00
	Bill	1236367	04/25/2019			Accounting	-5,000.00	5,000.00
TOTAL							-5,000.00	5,000.00
	Bill Pmt -Check	170	08/28/2019	The Balmoral Group, LLC		Seaside Bank (Operating)		-38,510.47
	Bill	2461.08	07/10/2019			Management Fees	-38,510.47	38,510.47
TOTAL							-38,510.47	38,510.47
						Wells Fargo Account (Grant)	(187,208.90)	187,761.40
						Seaside Bank (Operating)	(101,889.83)	101,889.83
							(289,098.73)	289,651.23

AGENDA ITEM 7

**Gulf Consortium Finance and Budget Committee Meeting
September 11, 2019**

**Item 7
Budget Summary and Project Status Expenditure Reports**

Summary:

The Budget Summary and the Project Status Expenditure Report for August 2019 are presented for Committee review.

*Condensed Budget Summary
For the current fiscal year – eleven months ended August 2019*

Cost Category	Annual 2018-19 Budget	Actual YTD	Remaining Budgeted Expenses
SEP Expenses (project funding)	79,903,446	0	79,903,446
Includes: PSEP	163,564	146,564	17,000
SSEP - One Time Expense	221,038	187,506	33,532
General fixed and variable	105,000	127,102	(22,102)
Operating Expenses			
Total	80,229,484	461,172	79,914,876

Project Status Expenditure Reports

County	Project #	Project Name	Budgeted Amount Current Year	Actual YTD	Remaining Budgeted Expenses	Project Status
Wastewater improvement Grant Application #1						
Santa Rosa	2-1	Soundside Drive Septic to Sewer Conversion, Phase I	\$2,322	\$1,615	\$707	Application Submitted
Okaloosa	3-4	Shoal River Headwaters Protection Program - Phase I (BSAIP WRF Effluent Disposal Expansion)	\$65,889	\$1,785	\$64,104	Application Submitted
Citrus	13-1	NW Quadrant Sewer Force Main Project	\$153,123	\$1,743	\$151,380	Application Submitted
Charlotte	20-1	Charlotte Harbor Septic to Sewer Conversion Program	\$94,608	\$2,168	\$92,440	Application Submitted
Okaloosa	3-3	Choctawhatchee Bay Estuary Program	\$86,030	\$1,488	\$84,542	Application Submitted
Wakulla	8-2	Coastal Public Access Program - Bayside Marina	\$10,321	\$893	\$9,428	Application Submitted
Pasco	15-5	Artificial Reef Program - Hudson Reef	\$13,414	\$3,358	\$10,056	Application Submitted
Pasco	15-7	Crews Lake Hydrologic Restoration	\$163,303	\$808	\$162,495	Withdrawn
Pinellas	16-1	Lake Seminole Sediment Removal	\$48,224	\$3,018	\$45,206	Application Submitted

Pasco	15-1	Port Richey Watershed Stormwater Mgmt Project - Construction	\$347,093	\$765	\$346,328	TBG review/edits
Bay	5-2	St. Andrew Bay Stormwater Improvement Program – St. Andrew Bay Watch – Water Quality Monitoring	\$34,254	\$1,955	\$32,299	Application Submitted
Collier	22-1	Comprehensive Watershed Improvmt Program - Monitoring Program	\$45,538	\$1,700	\$43,838	Application Submitted
Sarasota	19-1	Sarasota County Dona Bay Hydrologic Restoration Program	\$84,069	\$1,233	\$82,836	Application Submitted
Collier	22-1	Comprehensive Watershed Improvement Program - Master Plan	\$0.00	\$0.00	\$0.00	received materials; Gulf Consortium review
Taylor	10-1	Coastal Public Access Program - Feasibility Study	\$0.00	\$0.00	\$0.00	Withdrawn
Walton	4-1	Choctawhatchee Bay Septic to Sewer Conversion - Planning	\$0.00	\$0.00	\$0.00	received materials; Gulf Consortium review
Jefferson	9-2	Wacissa River Park Improvement Program - Planning and Acquisition	\$0.00	\$0.00	\$0.00	received materials; Gulf Consortium review
Citrus	13-2	Cross Florida Barge Canal Boat Ramp - E&D	\$0.00	\$0.00	\$0.00	received materials; Gulf Consortium review
Wakulla	8-1	Wakulla Springshed Water Quality Protection Program - Connection Fees	\$0.00	\$0.00	\$0.00	N/A
Escambia	1-1	Bayou Chico Contaminated Sediment Remediation Project - E&D	\$0.00	\$0.00	\$0.00	N/A
Hernando	14-1	Artificial Reef Program - E&D and Monitoring	\$0.00	\$0.00	\$0.00	N/A
Hillsborough	17-1	Cockroach Bay Aquatic Preserve Land Acquisition and Ecosystem Restoration - Acquisition	\$0.00	\$0.00	\$0.00	received materials; Gulf Consortium review
Levy	12-2	Levy County Oyster Restoration Project	\$0.00	\$0.00	\$0.00	received materials; Gulf Consortium review

AGENDA ITEM 8

**Gulf Consortium Finance and Budget Committee Meeting
September 11, 2019**

**Agenda Item 8
Trust Fund Balance and Grant Status**

Statement of Issue:

Presentation of the current Trust Fund balance and pending Grant applications for SEP Implementation.

Background:

Staff has prepared exhibits showing snapshot of the Trust Fund Balance, showing the total funds in the Trust Fund, the amounts allocated to the SSEP and PSEP, and the amounts pertaining to pending Grant Applications for SEP projects. Also included are the current and future BP payments.

Attachments:

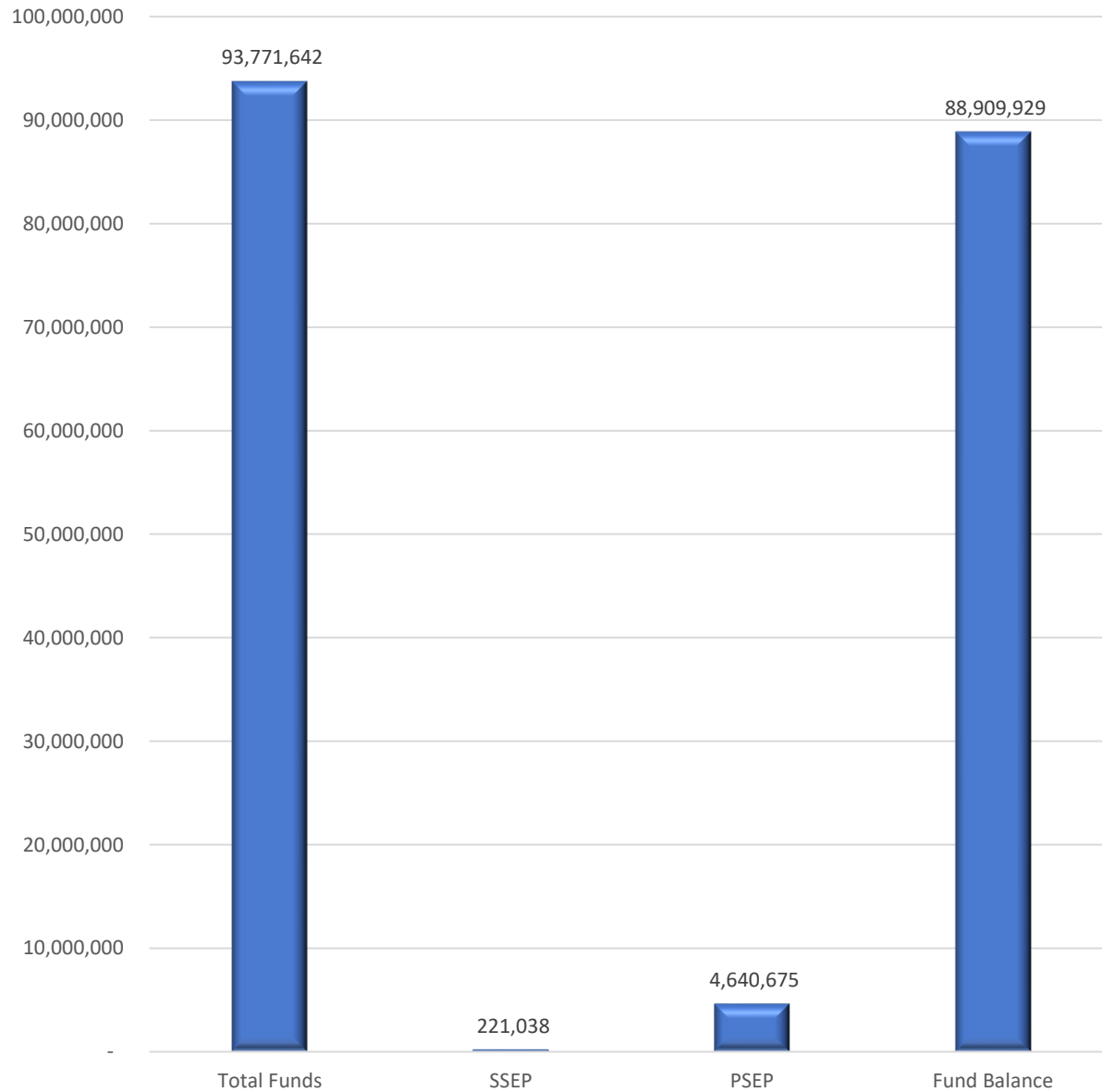
- a) Trust Fund balance totals by funding source and current SEP grant status
- b) Current trust fund balance report from Restore Council
- c) BP Payment Status

Prepared by:

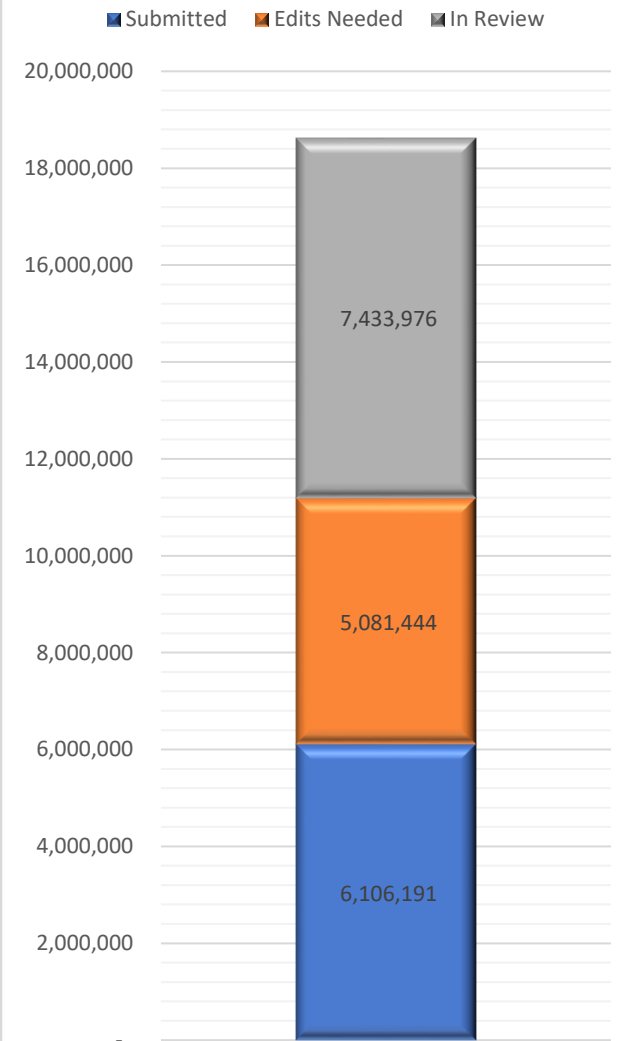
Richard Bernier
The Balmoral Group
On: September 5, 2019

Gulf Consortium Finance and Budget Committee Meeting
September 11, 2019

TRUST FUND



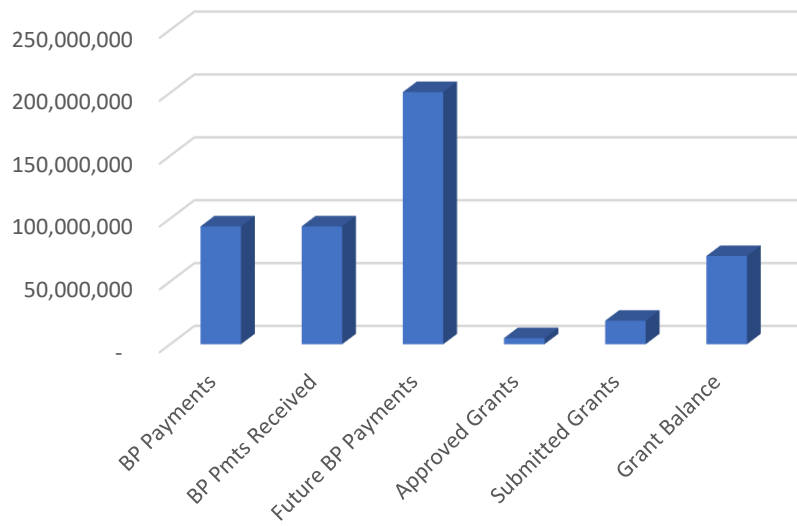
GRANT STATUS



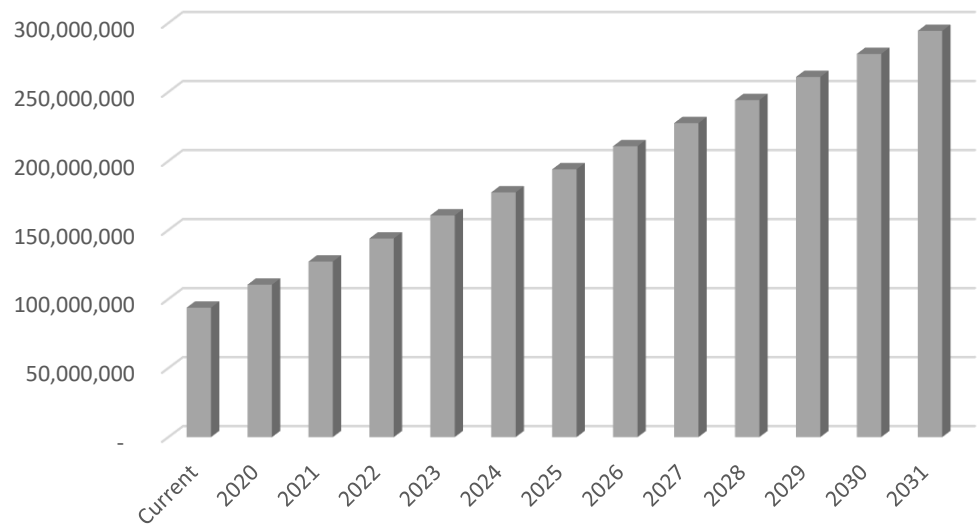
BUCKET 3 INDIRECT COST POOL CALCULATIONS AND USE				6/5/2019					
				Please enter: Project Name, FAIN, EGID (last two digits of the FAIN), Award Amount and Indirect Costs on Award					
STATE	Trust Fund	Running Balance	Running Balance	Project Name	FAIN	EGID	Award Amount	Ind Costs used on Award	Direct Costs used on Award
	Total Funds	3% Pool	Funds not subj to 3%						
FLORIDA GULF CONSORTIUM				FLORIDA GULF CONSORTIUM					
Beginning Balance	\$93,771,642	\$2,813,149	\$90,958,493						
	\$89,130,967	\$2,813,149	\$86,317,818	Gulf Consortium - PSEP	GNTSP16FL0021	21	\$4,640,675	\$0	\$4,640,675
	\$88,909,929	\$2,813,149	\$86,096,780	GS - Stand-up PSEP	GNTSP19FL0077	77	\$221,038	\$0	\$221,038
Balance Available	\$88,909,929	\$2,813,149	\$86,096,780	TOTAL FLORIDA			\$4,861,713	\$0	\$4,861,713
proofs			\$0						\$0

Gulf Consortium Finance and Budget Committee Meeting
September 11, 2019

BP Fund Payments



Scheduled Payments



AGENDA ITEM 9

**Gulf Consortium Finance and Budget Committee Meeting
September 11, 2019**

**Item 9
Report on Delegated Authority
Actions from May 1, 2019 through August 31, 2019**

Summary:

Staff report of actions carried out through delegated authority of the Board.

1. 5/7/19 - Executed agreement for 508 Compliance for the SEP amendment (VASTEC) at a cost of \$154.70
2. 5/9/2019: Submitted Grant application: Pinellas County Lake Seminole Sediment Removal – EGID 91
3. 5/28/19 - Executed PSEP No-Cost Extension – EGID 21
4. 7/8/19: Submitted Grant application: 19-1: Sarasota County Dona Bay Hydrologic Restoration Program – EGID 92
5. 7/10/19: Submitted Grant application: Bay County St. Andrew Bay Stormwater Improvement Program – St. Andrew Bay Watch – Water Quality Monitoring – EGID 98
6. 7/12/19: Submitted Grant application: 22-1: Collier County Comprehensive Watershed Improvement Program - Monitoring Program – EGID 97
7. 7/19/19: Resubmitted Grant application/ Respond to comments: Combined Wastewater Improvement Program – EGID 88
8. 7/24/19: Resubmitted Grant application/ Respond to comments: Pasco County Artificial Reef Program - Hudson Reef – EGID 86
9. 8/13/19: Submitted Grant application: 15-1: Port Richey Watershed Stormwater Management Project – Construction – EGID 101
10. 9/6/19: Resubmitted Grant application/ Respond to comments: Combined Wastewater Improvement Program – EGID 88

AGENDA ITEM 10

**Gulf Consortium Finance and Budget Committee Meeting
September 11, 2019**

**Agenda Item 10
Grant Funds by County**

Statement of Issue:

Presentation SEP grants by county with implementation and compliance expenses.

Background:

SEP grants submitted by each county is reviewed by staff and legal before being submitted to the Restore Council for approval. The processing of the actual payments are completed through a fiscal agent. The attached graphs represent the current grants and these associated expenses.

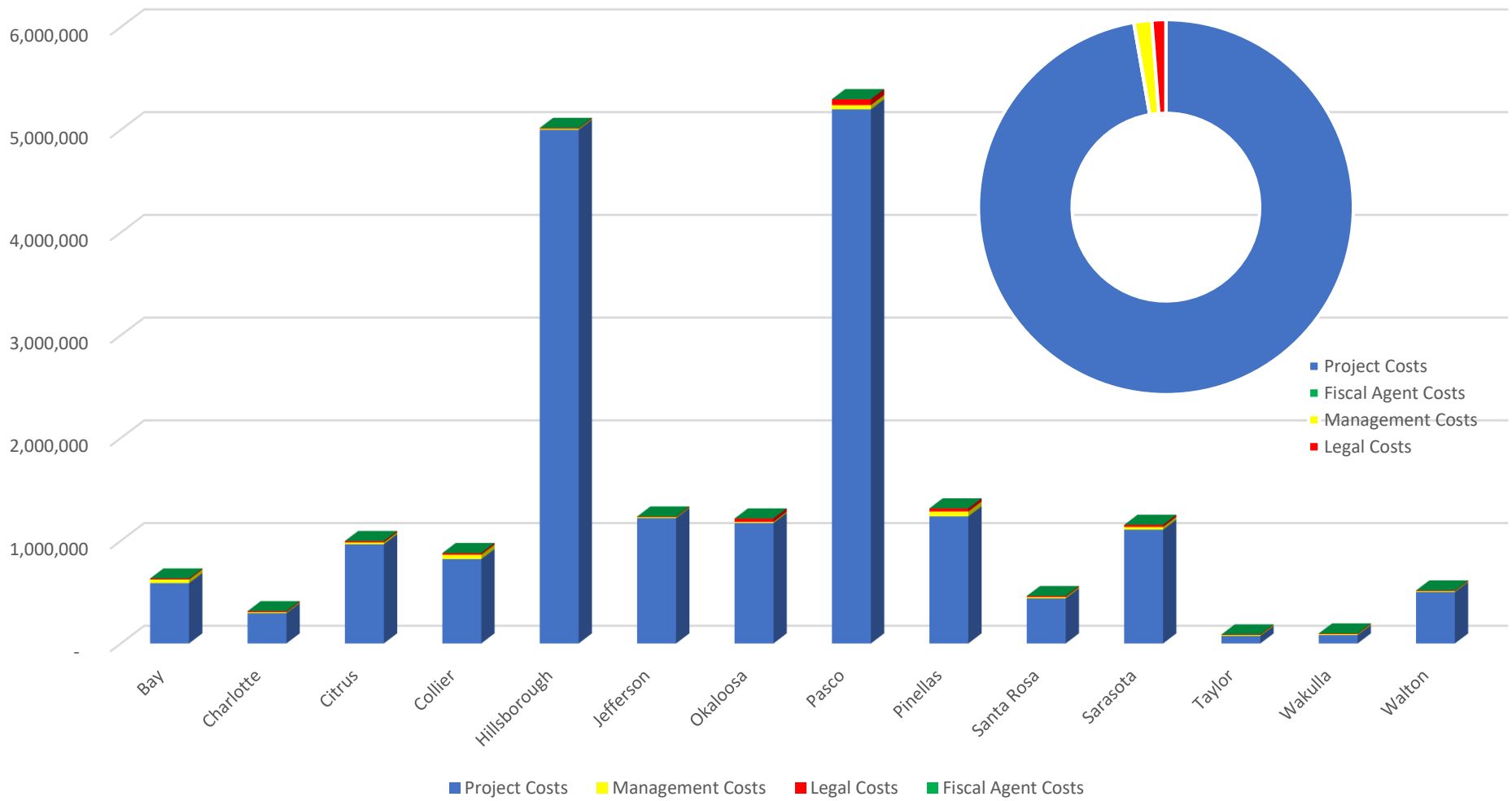
Attachments:

- a) SEP Grants graph comparing project costs to implementation expenses.
- b) Graphical representation of total grants in comparison to available.

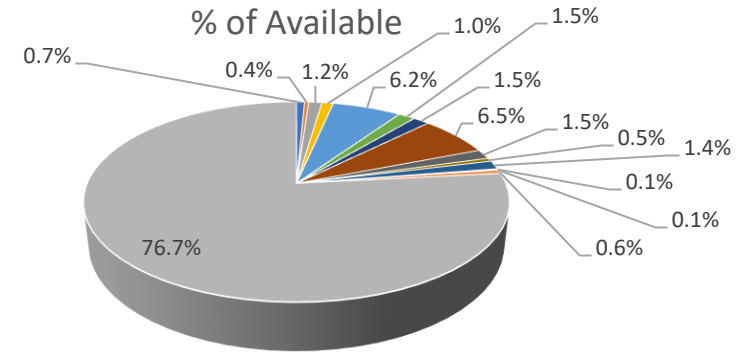
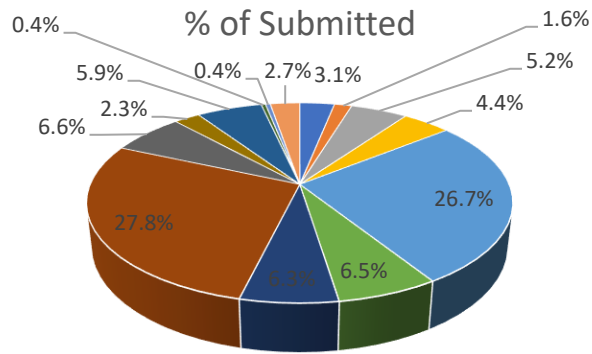
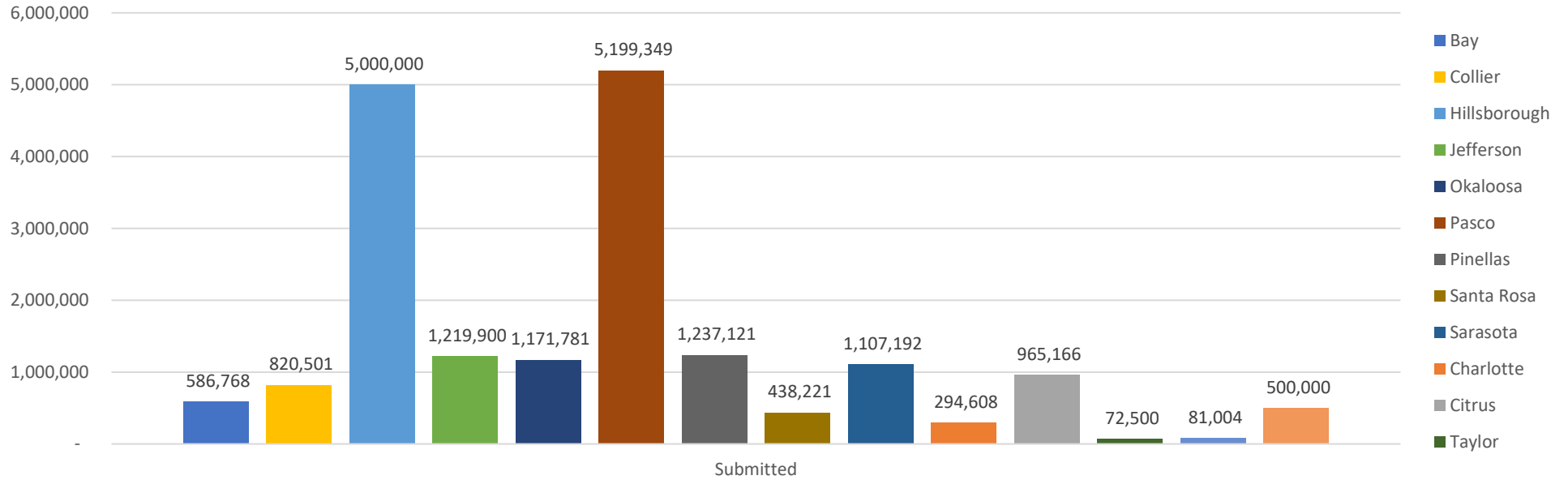
Prepared by:

Richard Bernier
The Balmoral Group
On: September 5, 2019

SEP Grants



Submitted Amounts



Bay Charlotte Citrus Collier Hillsborough
 Jefferson Okaloosa Pasco Pinellas Santa Rosa
 Sarasota Taylor Wakulla Walton

Bay Charlotte Citrus Collier Hillsborough
 Jefferson Okaloosa Pasco Pinellas Santa Rosa
 Sarasota Taylor Wakulla Walton Total Available

AGENDA ITEM 11

**Gulf Consortium Finance and Budget Committee Meeting
September 11, 2019**

**Agenda Item 11
Proposed Budget**

Statement of Issue:

Presentation of a proposed budget for the next fiscal year.

Background:

The fiscal year runs from October 1 to September 30 and requires an approved budget for the year. There are three categories of funds for the coming fiscal year: County Funds (for ongoing administrative items that do not qualify for grant expenditure), Compliance Funds (a proposed grant which will require an SEP amendment and grant application to fund the required compliance activities of receiving federal grant funds) and SEP Funds (SEP project grants). Each is discussed in turn.

Discussion:

The County funds cover costs primarily relating to meetings and administrative matters that pertain to the Consortium's status as a Special District, including public notice requirements, agenda preparation, logistics and general accounting requirements to comply with state and federal rules. For the fiscal year 2018-2019, costs totaled \$127,102. Management fees are based on historical data of non-grant work completed by staff which is estimated to be 437 hours at a rate of \$170 per hour for a total of \$74,290. Legal is based on meeting participation and miscellaneous correspondence for a total of \$19,500. Meeting and travel expense varies depending on the location of Board meetings. An average of the previous years' expenses were used to estimate the expenses. Miscellaneous expenses are bank interest (averaging \$80 a month), website renewal at actual cost, and FAR notices for each of the Gulf Consortium meetings.

Certain costs of managing compliance for the Consortium are grant eligible, such as the annual audit and the cost of SEP amendments, but may not be grant-specific or project-specific. The Consortium's SSEP grant set forth mechanisms to support implementation of grants under the SEP. Due to the nature of the annual Trust Fund receipts and individual SEP project costs, projects will not be implemented evenly over the years. Certain annual costs will be incurred by the Consortium regardless of which project grants are outstanding, and will need to be allocated among all 23 counties in an equitable fashion. Grant-eligible costs can be recouped (assuming they meet all necessary requirements) from RESTORE funds.

The Compliance Grant will cover the next three years so 1/3 of the total direct costs requested of \$191,860.00 is budgeted (\$63,950). This sum requested reflects the amount of \$13,400 for a single audit and \$5,600 for a financial audit. The amount of \$1,810 reflects the cost to complete the SF-425 form to report and

track financial data related to this grant award. The annual amount of \$1,810 reflects the key administrative activities necessary to complete various required Reports to RESTORE March 31, and \$1,810 again to complete the required Reports to RESTORE Sept 30. Additionally, the fee for Wizehive grant management software is \$6,360. The amount of \$1,360 reflects the administrative activities associated with OSA Compliance. The amount of \$3,400 represents the cost of Risk Committee Policy Review. The amount of \$17,000 represents input & upkeep for procurement record processing & accounting activities (100 hours total); at this time, few procurements are anticipated but are included for purposes of budgeting. The amount of \$3,060 reflects SEP amendments throughout the year (averaging 2 per year). The amount of \$8,340 is requested for contingency.

SEP Funds are based on the last three rounds of grant application submissions for the current fiscal year which is \$18,727,881 at the time this budget was prepared. It is anticipated that the pace of applications for the next year will more than double. A factor of 3 was used to estimate the applications for the fiscal year at \$56,183,640 which includes a slight contingency. The amount of actual expenditures was estimated by dividing by the average length of current projects which is 3.41 years. The legal expense is the lesser of 1.83% of the anticipated draw downs or \$90,000, the contractual maximum legal that can be invoiced. Similar to the legal calculation, management fees are the lesser of 2.33% of the anticipated draw downs or \$299,880, the contractual maximum management fees that can be invoiced. The \$16,841 in fiscal agent fees are based on .03% of the draw downs.

Gulf Consortium Proposed Budget Fiscal Year 2019-2020

Beginning Funds Balance	52,000	-	-	52,000
REVENUES	County Funds	Compliance Funds	SEP Funds	Total
Funding	70,025	191,860	56,183,640	56,445,525
TOTAL REVENUES	70,025	191,860	56,183,640	56,445,525
DISBURSEMENTS				
Compliance Expenses		63,950		63,950
County SEP Projects			16,356,868	16,356,868
General Operating Exp	132,790		406,721	539,511
TOTAL EXPENSES	132,790	63,950	16,763,589	16,960,329
Funds Balance	(10,765)	127,910	39,420,051	39,537,196

Attachments:

Proposed budget for fiscal year running from October 1, 2019 to September 30, 2020.

Prepared by:

Richard Bernier
The Balmoral Group
On: September 5, 2019

Gulf Consortium Proposed Budget Fiscal Year 2019-2020

	Budget			
Beginning Funds Balance	52,000	-	-	52,000
REVENUES	County Funds	Compliance Funds	SEP Funds	Total
County Funding	70,025			70,025
Compliance Grant		191,860		191,860
Florida SEP Grant			56,183,640	56,183,640
TOTAL REVENUES	70,025	191,860	56,183,640	56,445,525
DISBURSEMENTS				
Compliance Expenses				
Single Audit		13,400		13,400
Financial Audit		5,600		5,600
SF-425 Compliance		1,810		1,810
Financial Reports to RESTORE March 31		1,810		1,810
Financial Reports to RESTORE Sept 30		1,810		1,810
OSA Compliance		1,360		1,360
Procurement		17,000		17,000
SEP Amendment		3,060		3,060
Risk Committee Policy Review		3,400		3,400
Contingency		8,340		8,340
Wizhive annual fee		6,360		6,360
Subtotal Compliance Expenses		63,950		63,950
Florida State Expenditure Plan (FSEP) Project Implementation Expenses				
County Projects			16,356,868	16,356,868
Subtotal FSEP Expenses			16,356,868	16,356,868
General Operating Expenses				
Management Expense	74,290			74,290
Legal Expense	19,500		90,000	109,500
Grant-specific Management Implementation-dependent			299,880	299,880
Meeting and Travel Expense	36,500			36,500
*Miscellaneous	2,500			2,500
Audit Expense				-
Fiscal Agent Expense			16,841	16,841
Subtotal General Operating	132,790		406,721	539,511
TOTAL EXPENSES	132,790	63,950	16,763,589	16,960,329
Funds Balance	(10,765)	127,910	39,420,051	39,537,196

AGENDA ITEM 12

**Gulf Consortium Finance and Budget Committee Meeting
September 11, 2019**

**Agenda Item 12
Audit Contract Renewal**

Statement of Issue:

The Gulf Consortium is required to have an independent audit performed after the close of each fiscal year.

Background:

The current fiscal year runs from October 1, 2018 to September 31, 2019 and requires an audit by an independent auditing firm. In November 2018 an agreement was signed with Warren Averett, LLC for audit services. The term of the agreement was for one year with the option to renew for up to two additional years. The date of the contract is November 8, 2018 which means the agreement for the first year will be November 7, 2019. The option would extend the agreement to November 7, 2021.

Attachments:

Agreement with Warren Averett for auditing services.

Prepared by:

Richard Bernier
The Balmoral Group
On: September 6, 2019

**AGREEMENT FOR AUDITING SERVICES BETWEEN
THE GULF CONSORTIUM AND WARREN AVERETT, LLC**

This AGREEMENT is entered into by and between the Gulf Consortium, a legal entity and public body organized and created pursuant to an interlocal agreement among the 23 county governments along Florida's Gulf Coast (the "Consortium"), and Warren Averett, LLC, whose business address is 45 Eglin Parkway N.E., Suite 301, Ft. Walton Beach, Florida, 32548 (the "Contractor").

WHEREAS, the Consortium desires to obtain professional auditing services; and

WHEREAS, the Contractor represents that it has the experience and expertise in the type of professional auditing services that will be required by the Consortium; and

WHEREAS, the Consortium, through a competitive selection process, has selected Contractor as the entity to provide professional auditing services to the Consortium;

WHEREAS, the Consortium seeks to engage the Contractor for the purpose of providing professional auditing services.

NOW THEREFORE, in consideration of the mutual covenants herein and other good and valuable consideration, the parties hereby agree to amend the Agreement as follows:

1. **SERVICES TO BE PROVIDED.** The Contractor hereby agrees to provide auditing services in accordance with:
 - A. The Request for Proposal for Audit Services ("RFP") issued by the Consortium, as well as Contractor's response to same, which are attached hereto and incorporated as Exhibit A; and
 - B. The Contractor's Engagement Letter, dated September 20, 2018, which is attached hereto and incorporated as Exhibit B.
2. **FUND AVAILABILITY.** The performance of the Consortium of any of its obligations under this Agreement shall be subject to and contingent upon the availability of funds lawfully expendable for the purposes of this Agreement for the current and any future periods provided for within this Agreement.

The following statement is included in this Agreement in accordance with section 218.77, Florida Statutes, regarding requirements for disclosure of contingencies associated with federal requirements: The payment of costs to the Contractor for the auditing services is contingent upon the receipt of federal funds and federal approval.

3. **TERM OF CONTRACT.** The term of the Agreement will be for one (1) year with the options to renew for up to two (2) additional years, unless earlier terminated by either party upon ninety (90) days' written notice.

4. **COMPENSATION.** The Contractor shall be compensated the following fees for auditing services, plus travel expenses in accordance with section 112.061, Florida Statutes:

Fiscal Year Ending	Audit Fee	Federal Single Audit Fee
9/30/2018	\$10,000	\$8,000

5. **INSURANCE.** Contractor shall provide Certificates of Insurance showing that it has insurance policies in coverages and limits required below from companies authorized to do business in the State of Florida, with a rating of "A" or better. Each policy required below must require that thirty (30) days prior to expiration, cancellation, non-renewal or any material change in coverages or limits, written notice thereof must be given to Consortium. Each Certificate of Insurance will be on a standard ACORD form, listing coverages and limits, expiration dates, terms of policies and all endorsements, and will include the RFP/project name on the Certificate. Each Certificate of Insurance, which is allowed by law to carry an additional named insured, will show "Gulf Consortium, a public entity created in October 2012 by Interlocal Agreement among Florida's 23 Gulf Coast counties, and its officers, agents, employees, and volunteers," as additional named insured. Any and all deductibles to any insurance policy will be the responsibility of the Contractor. Coverages and limits for the insurance required herein are as follows:

- A. **Workers' Compensation:** Coverage to apply for all employees for Statutory Limits in compliance with the applicable state and federal laws. The policy must include Employers' Liability with a limit of \$300,000 each accident.
- B. **Professional Liability Insurance:** Coverage of a minimum one million dollars (\$1,000,000) in coverage for this project.
- C. **Public Liability Insurance:** Policy must include bodily injury and property damage, Combined Single Limits (CSL) of \$300,000 minimum.
- D. **Comprehensive General Liability Insurance:** Policies shall include, but not be limited to, Independent Contractor, Contractual, Premises/Operations, Products/Completed Operations and Personal Injury covering liability assumed under indemnification provisions, with limits of liability for personal injury and/or bodily injury, including death, of not less than \$500,000, each occurrence; and property damage of not less than \$100,000, each occurrence. (Combined single limits of not less than \$500,000, each occurrence, will be acceptable unless otherwise stated). Coverage shall be on an "occurrence" basis, and the policy shall include Broad Form Property Damage coverage.
- E. **Comprehensive Automobile and Truck Liability:** Policies shall cover owned, hired and non-owned vehicles with minimum limits of \$300,000 each occurrence and property damage of not less than \$100,000 each occurrence. (Combined single limits of not less than \$500,000 each occurrence will be acceptable unless otherwise stated). Coverage shall be on an "occurrence basis" such insurance to include coverage for loading and unloading hazards.

6. **MONITORING.** The progress and performance of the Contractor will be monitored during and on close of the period of performance by the Consortium Manager.
7. **INDEMNIFICATION.** The Contractor agrees to indemnify and hold harmless the Consortium, its officials, officers, representatives, employees and agents, from and against any and all claims, damages, liabilities, losses, costs, or suits of any nature whatsoever arising out of, because of, or due to any negligent acts or omissions of the Contractor, its delegates, employees and agents, arising out of or under this Agreement, including reasonable attorney's fees. The Contractor acknowledges that ten dollars (\$10.00) of the amount paid to the Contractor is sufficient consideration for the Contractor's indemnification of the Consortium.
8. **PUBLIC ENTITY CRIMES.** In accordance with Section 287.133, Florida Statutes, Contractor hereby certifies that to the best of his knowledge and belief neither Contractor nor his affiliates has been convicted of a public entity crime. Violation of this section by the Contractor shall be grounds for cancellation of this Agreement by the Consortium.
9. **UNAUTHORIZED ALIENS.** The Contractor agrees that unauthorized aliens shall not be employed nor utilized in the performance of the requirements of this solicitation. The Consortium shall consider the employment or utilization of unauthorized aliens a violation of Section 274A(e) of the Immigration and Naturalization Act (8 U.S.C. 1324a). Such violation shall be cause for unilateral termination of this Agreement by the Consortium.
10. **NON-WAIVER.** Failure by the Consortium to enforce or insist upon compliance with any of the terms or conditions of this Agreement or failure to give notice or declare this Agreement terminated shall not constitute a general waiver or relinquishment of the same, or of any other terms, conditions or acts; but the same shall be and remain at all times in full force and effect.
11. **ENTIRE AGREEMENT.** This Agreement constitutes the entire understanding between the parties with respect to the transaction contemplated herein and supersedes all prior written or oral negotiations, commitments or writings. All future modifications to this Agreement shall be in writing signed by both parties.
12. **VENUE.** Venue for all actions arising under this Agreement shall lie in Leon County, Florida.
13. **CONSTRUCTION.** The validity, construction, and effect of this Agreement shall be governed by the laws of the State of Florida.
14. **CONFLICTING TERMS.** In the instance that any other agreement exists concerning the matters herein, then the terms and conditions in this Agreement shall prevail over all other terms and conditions.

15. **FEDERAL PROVISIONS.** Contractor shall comply with the federal provisions, attached hereto and incorporated herein as Exhibit C.

WHERETO, the parties have set their hands and seals effective the date whereon the last party executes this Agreement.

GULF CONSORTIUM

By: _____


Grover Robinson, Chairman

Date: _____

11/8/18

WARREN AVERETT, LLC

By: _____


Angela Balent, CPA

Date: _____

10-15-2018

SECRETARY/TREASURER:

By: _____


John Meeks

Date: _____

10-26-18

EXHIBIT A
RFP FOR AUDIT SERVICES



www.gulfconsortium.org

REQUEST FOR PROPOSALS AUDIT SERVICES

Notice is hereby given that the Gulf Consortium will be receiving sealed responses to Request for Proposals at the offices of The Balmoral Group, 165 Lincoln Avenue, Winter Park, FL 32789, for audit services.

The Gulf Consortium ("the Consortium") intends to enter into an agreement with an experienced and qualified professional firm to provide audit services pursuant to applicable laws, rules and regulations governing the Consortium. The audit is to be conducted in accordance with, but not necessarily limited to, the Single Audit Act Amendments of 1996, 31 U.S.C. s. 7501 et. seq., section 215.97, Florida Statutes "Florida Single Audit Act," regulations adopted by the Auditor General of the State of Florida, and 2 CFR Part 200, including an audit report consisting of a financial audit of the Consortium, an audit of financial accounts and records, including all reports, management letters, and financial statements that may be required, and other audit services requested by the Consortium.

REQUEST FOR PROPOSALS DUE DATE: 4:00 p.m., EST, September 6, 2017

**GULF CONSORTIUM
THE BALMORAL GROUP
165 LINCOLN AVENUE
WINTER PARK, FLORIDA 32789**

Documents can be obtained by contacting the Consortium Manager at (407) 629-2185 or gulf.consortium@balmoralgroup.us. Documents can also be found online at www.gulfconsortium.org. If you have any questions, please call William Smith (407) 629-2185 x 106.

Notice provided on the Gulf Consortium website at: www.gulfconsortium.org

GULF CONSORTIUM
Request for Proposals for Audit Services of Planning Grant Funds
For Fiscal Year Ending September 30, 2017

The Gulf Consortium, a political entity created in October 2012 by Interlocal Agreement among Florida's 23 Gulf Coast counties ("the Consortium"), with this Request for Proposals ("RFP") for Audit Services is seeking to select an auditor or auditing firm ("Auditor") that clearly demonstrates the highest level of ability and proven reliability to perform the auditing services for the Consortium as required by this RFP. Such auditing services will include an audit report, consisting of a financial audit of the Consortium, an audit of its financial accounts and records, including all reports, management letters, and any other auditing services that may be required by the Consortium.

NOTICE: *Applicants or bidders for a lower tier covered transaction (except procurement contracts for goods and services under \$25,000 not requiring the consent of a Council official) are subject to 2 C.F.R. Part 180, "OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Non-procurement)." In addition, applicants or bidders for a lower tier covered transaction for a sub-award, contract, or subcontract greater than \$100,000 of Federal funds at any tier are subject to relevant statutes, including among others, the provisions of 31 U.S.C. 1352, as well as the common rule, "New Restrictions on Lobbying," published at 55 FR 6736 (February 26, 1990), including definitions, and the Office of Management and Budget "Governmentwide Guidance for New Restrictions on Lobbying," and notices published at 54 FR 52306 (December 20, 1989), 55 FR 24540 (June 15, 1990), 57 FR 1772 (January 15, 1992), and 61 FR 1412 (January 19, 1996).*

SECTION 1. INTRODUCTION AND BACKGROUND

In response to the explosion of and the resulting oil spill from the Deepwater Horizon offshore drilling rig in the Gulf of Mexico on April 20, 2010 (Deepwater Horizon Oil Spill), the United States Congress enacted the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012 (RESTORE Act) (title 1, subtitle F of Public Law 112-141) as part of the Moving Ahead for Progress in the 21st Century Act. The RESTORE Act was passed by Congress on June 29, 2012 and signed into law on July 6, 2012 by the President.

The RESTORE Act establishes funding from a portion of the administrative and civil penalties under the Federal Water Pollution Control Act from the Deepwater Horizon Oil Spill for the ecological and economic restoration of the Gulf Coast region. The RESTORE Act directs funding for the development and implementation of the State Expenditure Plan in each of the five Gulf Coast States.

The Gulf Consortium is a public entity created in October 2012 by Interlocal Agreement among Florida's 23 Gulf Coast counties, from Escambia County to Monroe County.

Florida's 23 Gulf Coast Counties formed the Consortium to meet requirements of the RESTORE Act for Florida to develop a State Expenditure Plan. The Consortium Board of Directors consists of one representative from each county government and six members appointed by the Governor. As a public entity, the Consortium must meet all government transparency requirements in Florida, including open public records and meetings, ethics and state auditing obligations.

The Gulf Consortium is working with Florida's Governor, state agencies and other restoration partners to advance common goals, reduce duplication, and maximize benefits to the Gulf Coast region. To this end, the Governor and the Consortium entered into a Memorandum of Understanding (MOU) on June 12, 2013 to further the collective objectives of maximizing efficiencies and revenue opportunities under the RESTORE Act. The Governor's appointees represent diverse interests to provide input and guidance to the Consortium on policies and criteria used to select projects, activities and programs for inclusion in the State Expenditure Plan.

The Consortium has no paid staff; however there are currently three vendors with professional services contracts who work for or on behalf of the Gulf Consortium. These vendors are compensated from a combination of dues collected from the 23 member counties of the Consortium and/or grant funds which are a part of the planning grant (PSEP) approved by the Restore Council in June 2016.

To date approximately \$2.42M of the roughly \$4.64M Planning Grant has been authorized to be spent on the creation of the Florida's State Expenditure Plan.

SECTION 2. PERFORMANCE SPECIFICATIONS

2.1. Scope of Work

Financial Statements

The Consortium desires the auditor to express an opinion on the fair presentation of its basic financial statements, including any fund financial statements, in conformity with accounting principles generally accepted in the United States.

A Single Audit in accordance with the Federal and State Single Audit Acts and related professional guidance shall be conducted as required. The Auditor shall prepare any required letters, schedules, and forms related to this audit. No single audits were required for the fiscal year ended September 30, 2016; however, the Consortium expects that the grant volume will be significantly greater for fiscal year ended September 30, 2017, requiring a federal single audit.

Internal Controls

In connection with the audit of the financial statements, the auditor shall consider, test, and report on internal controls and perform tests and report on compliance in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards.

2.2. Compliance Requirements

The audit, of the Consortium, must be performed in compliance with the requirements of all of the following:

- Section 215.97, Florida Statutes
- Rules adopted by the Auditor General, relating to local government audits
- Generally Accepted Auditing Standards and generally Accepted Accounting Principles under Chapter 473, Florida Statutes
- Government Auditing Standards
- 2 CFR Part 200
- Single Audit Act of 1996
- State of Florida Single Audit Act

2.3. Proposed Project Timeline

A final and complete opinion letter on the financial statements taken as a whole, as well as any additional letters required by the United States or State of Florida Single Audit Act, shall be delivered to the Gulf Consortium no later than January 31 following the end of the fiscal year under audit.

2.4. Deliverable Copies

The Auditor will provide 35 paper copies and two electronic copies on CDs of the final combined audit report, which will include the individual audits, management letters, and any reports on internal control for the Consortium, and Federal/State Financial Assistance reports.

2.5. Report Preparation

The Auditor will prepare a Single Audit Report for the Consortium.

1. A report of the fair presentation of the financial statements in conformity with generally accepted accounting principles.
2. A report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with government auditing standards.
3. A report on compliance with requirements applicable to each major Federal Program and on internal control over compliance in accordance with OMB Super Circular and Chapter 10.550, Rules of the Auditor General.
4. A full and complete management letter which shall identify any management weaknesses observed, assess their effect on financial management, and propose steps to correct or eliminate those weaknesses.
5. Any other required reports and schedules required by the Federal and State Single Audit Acts.

2.6. Final Presentations

The partner in charge of the audit and the audit manager must be available to attend an Executive Committee and a Board of Directors meeting of the Consortium, as requested, to discuss the Audit.

2.7. Final Conference

The Auditor will conduct an exit conference with the Consortium or its designee.

SECTION 3. TERM OF CONTRACT

The Consortium anticipates that the term of the agreement will be for three (3) years with the options of two (2) additional one-year renewal periods, unless earlier terminated by either party upon thirty (30) days' written notice.

SECTION 4. INSTRUCTIONS FOR PROPOSALS

4.1. Transmission and Receipt of Proposals.

Email the proposal to:

gulf.consortium@balmoralgroup.us – Please include Audit RFP in the subject line

Or deliver, or mail the proposal to:

Gulf Consortium
Attn: Audit Committee
165 Lincoln Avenue
Winter Park, FL 32789

Proposals must be RECEIVED no later than 4:00 p.m. on Wednesday, September 6, 2017.

4.2. Proposal Contents.

The proposal must include:

- a. Description and history of the audit firm. **(1 page)**
- b. Relevant prior governmental auditing experience **(1 page)**
- c. No less than three (3) references for which the firm has performed similar work. **Must use "Reference Form" provided below.**
- d. Staff available for this audit, including identification and qualifications of all personnel who will be assigned to this audit. Include all of the following for each person assigned to this Audit: **(3 pages altogether for this section)**

- i. Names and government audit experience of the partner in charge, the manager, and other supervisory personnel, as applicable, of the Audit.
 - ii. Certification, licensure and CPE training, including copies of all licenses of all persons who are authorized to operate as Independent CPAs under Chapter 473, Florida Statutes, and statements as to whether continuing education requirements of the Florida Institute of CPA's relating to governmental audits have been satisfied.
 - iii. Information on membership in professional societies.
 - iv. Background and qualifications of all other professional audit or other staff assigned to the Audit that are not included in any of the above.
- e. A tentative schedule for performing the key phases of the Audit. **(1 Page)**
- f. Detailed information on the auditor's proposed audit procedures to be followed and anticipated audit approach. **(3 Pages)**
- g. Schedule of fees/hourly rates for personnel to be assigned to this audit and anticipated hours for each member of such personnel to be devoted to this Audit. In the alternative, proposers may provide a lump sum fee for performing the requested auditing services, plus a schedule of fees/hourly rates for personnel to be assigned to the audit that may be used for any additional services. Also include fee structure and actual charges for previous audits performed for other local governments of similar size and budget for the past three years.
- h. A statement acknowledging the firm has sufficient staff and availability to meet or exceed the performance specifications in Section 2 above.
- i. A copy of the firm's latest Peer Review Report.
- j. Acknowledgement of receipt of any addenda issued.
- k. Signed copy of Exhibit A, General Grant Funding Special Proposal Conditions. **(Form attached)**
- l. Provide details of pending litigation against your firm or any members of your personnel in their capacity as members, associates or employees of your firm.
- m. Disclose any past, current, or pending disciplinary action against your firm or any of your personnel by the Florida State Board of Accountancy or any other agency.

The proposal shall be no longer than 12 pages. The 12 page maximum does not include the Reference Form or the Statement on Public Entity Crimes.

SECTION 5. EVALUATION PROCEDURES

The Auditor Selection Committee is composed of 5 members who work in either accounting or finance capacity for one of the 23 member counties participating in the Gulf Consortium. The Committee will evaluate proposals based on a weighted score point formula. The Committee will rank and recommend to the Gulf Consortium, in order of preference, firms to be deemed the most highly qualified to perform the required services after considering the factors contained in this RFP.

Among the factors to be considered by the Committee in evaluating proposals is:

- Government audit experience, including grant audits (25 pts)
- Professional ability of personnel to be assigned to the Audit (20 pts)
- Ability to furnish the required service, including audit approach (20 pts)
- Credibility and response of client references (20 pts)
- Price/Fees (15 pts)

Committee will evaluate each proposal, based on the proposal document submitted, and how those met the criteria and requirements of this RFP. The firms having the highest aggregate point score will be ranked and then recommended to the Consortium for the contract negotiation process.

Note: If the Selection Committee cannot recommend a firm based solely off the document submissions, it reserves the option to create a short-list of the top ranked proposals and pursue telephonic interviews. Based on those interviews and the proposal scores the Selection Committee would choose a firm for recommendation to the Consortium.

SECTION 6. MISCELLANEOUS PROVISIONS

6.1. Proposal Expense

The Consortium will not be liable for any expenses or reimbursement to any firm for costs or expenses incurred in connection with preparation of a response to this RFP.

6.2. Deadline Consequences

Proposals received after the established deadline will not be opened. A proposer may withdraw its proposal by notifying the Consortium in writing at any time prior to the due date. Proposals not so withdrawn will, upon opening, constitute an irrevocable offer for a period of 120 days to provide the Consortium the services set forth in this RFP until the Consortium has selected one of the proposers. Upon opening, proposals become public records and shall be subject to public disclosure in accordance with Chapter 119, Florida Statutes.

6.3. Public Entity Crime Statement

In accordance with section 287.133(2)(a), Florida Statutes, "A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid, proposal, or reply on a contract to provide any goods or services to a public entity; may not submit a bid, proposal, or reply on a contract with a public entity for the construction or repair of a public building or public work; may not submit bids, proposals, or replies on leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity; and may not transact business with any public entity in excess of the threshold amount provided in section 287.017, for Category Two, for a period of 36 months from the date of being placed on the convicted vendor list."

By submission of a proposal in response to this RFP, the Proposer certifies compliance with the above requirements as stated in section 287.133, Florida Statutes.

6.4. Reservation of Rights

The Consortium reserves the right to accept or reject any and/or all proposals to this RFP, to waive irregularities and technicalities, and to request resubmission. The Consortium retains the right to request additional information from any proposer; failure to provide such requested information may result in rejection of the proposal. The Consortium reserves the right to keep proposals submitted and use ideas from them. Any sole response received may or may not be rejected by the Consortium, depending on available competition and timely needs of the Consortium. The Audit Selection Committee and the Consortium shall be the sole judges of the proposals and the resulting agreement that is in its best interest, and its decision shall be final.

6.5. Minority Businesses

The Consortium, in accordance with the provisions of Title VI of the Civil Rights Act of 1964 and the regulations of the U.S. Department of Commerce issued pursuant to such Act, hereby notifies all proposers that it will affirmatively ensure that in any agreement entered into pursuant to this RFP, minority business enterprises will be afforded full opportunity to submit responses to this RFP and will not be discriminated against on the grounds of race, color or national origin in consideration for an award.

6.6. Non Discrimination

All proposers are hereby notified that the selected auditor will comply with the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Rehabilitation Act of 1973, the Americans with Disabilities Act and the Florida Civil Rights Act, all as amended. Specifically, by submitting a proposal, each proposer agrees that:

- No person will, on the grounds of race, color, sex, religion, age, disability, national origin or marital status, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program, activity or service funded through an agreement entered into as a result of this RFP and the proposal submitted.

- The proposer will not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, disability, national origin or marital status. The proposer agrees to post in a conspicuous place, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.
- The proposer will, in all solicitations or advertisements regarding program activities, services provided or applications for employment, state that all qualified applicants will receive consideration for services or employment without regard to race, color, religion, sex, age, disability, national origin or marital status.
- The Consortium may require the selected auditor to submit reports as may be necessary to indicate non-discrimination. Consortium officials will be permitted access to the Auditor's books, records, accounts and other sources of information and its facilities as may be pertinent to ascertain compliance with non-discrimination laws.

It is expressly understood that the Consortium will have the right to terminate any agreement entered into as a result of this RFP and the proposal submitted thereto upon receipt of evidence of discrimination by the Auditor.

6.7. Indemnification

As part of any agreement that may be entered into as a result of this RFP, the Auditor will indemnify, save and hold harmless the Consortium and all of its officers, agents, employees, contractors or volunteers from all suits, actions, claims, demands and liability of any nature whatsoever arising out of, because of, or due to the breach of the agreement by the Auditor or its subcontractors, agents, employees or volunteers, or due to any negligent act, or occurrence of omission or commission of the auditor, its subcontractors, agents, employees or volunteers. Neither the Auditor nor any of its subcontractors, agents, employees or volunteers will be liable under this paragraph for damages arising out of injury or damage to persons or property directly caused or resulting from the sole negligence of the Consortium or any of its officers, agents, employees, contractors or volunteers.

SECTION 7. INSURANCE REQUIREMENTS

Before entering into an agreement with the Consortium, the Auditor will be required to provide Certificates of Insurance showing that the Auditor has insurance policies in coverages and limits required below from companies authorized to do business in the State of Florida, with a rating of "A" or better. Each policy required below must require that thirty (30) days prior to expiration, cancellation, non-renewal or any material change in coverages or limits, written notice thereof must be given to Consortium. Each Certificate of Insurance will be on a standard ACORD form, listing coverages and limits, expiration dates, terms of policies and all endorsements, and will include the RFP/project name on the Certificate. Each Certificate of Insurance, which is allowed by law to carry an additional named insured, will show "Gulf Consortium, a public entity

created in October 2012 by Interlocal Agreement among Florida's 23 Gulf Coast counties, and its officers, agents, employees, and volunteers," as additional named insured. Any and all deductibles to any insurance policy will be the responsibility of the Auditor. Coverages and limits for the insurance required herein are as follows:

- A. Workers Compensation:** Coverage to apply for all employees for Statutory Limits in compliance with the applicable state and federal laws. The policy must include Employers' Liability with a limit of \$300,000 each accident.
- B. Professional Liability Insurance:** Coverage of a minimum one million dollars (\$1,000,000) in coverage for this project.
- C. Public Liability Insurance:** Policy must include bodily injury and property damage, Combined Single Limits (CSL) of \$300,000 minimum.
- D. Comprehensive General Liability Insurance:** Policies shall include, but not be limited to, Independent Contractor, Contractual, Premises/Operations, Products/Completed Operations and Personal Injury covering liability assumed under indemnification provisions, with limits of liability for personal injury and/or bodily injury, including death, of not less than \$500,000, each occurrence; and property damage of not less than \$100,000, each occurrence. (Combined single limits of not less than \$500,000, each occurrence, will be acceptable unless otherwise stated). Coverage shall be on an "occurrence" basis, and the policy shall include Broad Form Property Damage coverage.
- E. Comprehensive Automobile and Truck Liability:** Policies shall cover owned, hired and non-owned vehicles with minimum limits of \$300,000 each occurrence and property damage of not less than \$100,000 each occurrence. (Combined single limits of not less than \$500,000 each occurrence will be acceptable unless otherwise stated). Coverage shall be on an "occurrence basis" such insurance to include coverage for loading and unloading hazards.

SECTION 8. NEGOTIATIONS

The Consortium will inquire of qualified firms as to the basis of compensation, select the highest-ranked qualified firm recommended by the Selection Committee, and negotiate a contract with that firm. If the Consortium chooses not to select the highest-ranked qualified firm as recommended by the Selection Committee, it may select another firm with which to negotiate a contract. In such event, the Consortium must document, in the public records, the reason for not selecting the highest-ranked qualified firm. Should the Consortium be unable to negotiate a contract with the selected firm, negotiations with that firm will be formally terminated and the Consortium will then negotiate with

the next firm selected by the Consortium, and the process will continue until successful negotiations are reached.

SECTION 9. DEBARMENT AND SUSPENSION.

The Proposer must certify to the best of its knowledge and belief, that it and its principals are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency.

SECTION 10. AWARD OF RFP, NOTICE OF INTENDED DECISION AND PROTEST.

An award will be made to the responsive, responsible Proposer who ranks highest in the evaluation process, unless otherwise stated elsewhere in this document. The Consortium reserves the right to waive any informality in Proposals and to award a Proposal in whole or in part when either or both conditions are in the best interest of the Consortium.

1. Notice of the intended decision will be posted on the Gulf Consortium website at: www.gulfconsortium.org for a period of seventy-two (72) consecutive hours, which does not include weekends or County observed holidays. Any Proposer who desires to protest the intended decision must file a notice of intent to protest in writing within seventy-two (72) hours after the posting of the notice. Any award recommendation may be protested on the grounds of irregularities in the specifications, solicitation procedure, or the evaluation of the solicitation. Such notice of intent of solicitation protest shall be made in writing to Lynn Hoshihara, Gulf Consortium General Counsel, 1500 Mahan Drive, Ste 200, Tallahassee, FL 32308 or lhoshihara@ngnlaw.com.
2. A Protestor shall file a formal written bid protest within 3 days after the date in which the notice of intent of bid protest has been submitted. Failure to file a notice of intent of protest or failure to file a formal written protest shall constitute a waiver of all rights granted under this section. The Proposer shall be responsible for inquiring as to any and all award recommendation and postings.
3. Should concerns or discrepancies arise during the solicitation process, Proposers are encouraged to contact the General Counsel prior to the scheduled solicitation opening. Such matters will be addressed and remedied if necessary prior to a solicitation opening or award whenever practically possible. Proposers are not to contact any Auditor Selection Committee or Gulf Consortium member.

SECTION 11. ADDITIONAL INFORMATION

Requests for additional information or other inquiries should be made to:

William Smith at (407) 629-2185 x 106 or wsmith@balmoralgroup.us

The Consortium will not respond to in person oral inquiries. Proposers may submit written, emailed, or telephonic inquiries regarding this RFP to the person listed above. The Consortium will respond to written or emailed inquiries, if those inquiries are received before 4:00 PM on August 23, 2017.

The Consortium will record its responses to inquiries and any supplemental instructions in the form of written addenda and will send written addenda to all proposers who were sent the RFP. Any supplemental information will be posted on the Gulf Consortium's website as well. It is the responsibility of the proposer, before submitting a proposal, to contact the Gulf Consortium Manager to determine if addenda were issued, acknowledging and incorporating them into its proposal

PROPOSED TIME SCHEDULE FOR SELECTION AND ENGAGEMENT OF AUDITORS

Solicitation Release	4:00 PM	August 17, 2017
Question and Answer Ends	4:00 PM	August 23, 2017
Return Deadline for RFP's	4:00 PM	September 6, 2017
If a Short-list is developed then interviews will be held during the week of September 11th		
Auditor Selection Committee Meeting	1:00 PM	September 14, 2017
Gulf Consortium Board of Directors Meeting to select firms and authorize negotiation of a contract	1:00 PM	September 27, 2017

The Consortium may continue negotiations to a future date if necessary

EXHIBIT A
GENERAL GRANT FUNDING SPECIAL PROPOSAL CONDITIONS

This solicitation is fully or partially funded by Federal grants. Proposers shall comply with the following:

1. **Drug Free Workplace Requirements:** Drug-free workplace requirements in accordance with Drug Free Workplace Act of 1988 (Pub L 100-690, Title V, Subtitle D) All contractors entering into Federal funded contracts over \$100,000 must comply with Federal Drug Free workplace requirements as Drug Free Workplace Act of 1988.

2. **Contractor Compliance:** The contractor shall comply with all uniform administrative requirements, cost principles, and audit requirements for federal awards.

3. **Conflict of Interest:** The contractor must disclose in writing any potential conflict of interest to the Consortium or pass-through entity in accordance with applicable Federal policy.

4. **Mandatory Disclosures:** The contractor must disclose in writing all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award.

5. **Utilization of Small and Minority Businesses, Women's Business Enterprises and Labor Surplus Area Firms:** The contractor must take all necessary affirmative steps to assure that small, minority, and women-owned businesses are utilized when possible, in accordance with 2CFR 200.321. If subcontracts are to be let, prime contractor will require compliance of this provision by all sub-contractors. Prior to contract award, the contractor shall document efforts to assure that such businesses are solicited when there are potential sources; that the contractor made an effort to divide total requirement, when economically feasible, into smaller tasks or quantities to permit maximum participation by such businesses; and, that the contractor has established delivery schedules, where permitted, to encourage such businesses respond. Contractor and sub-contractor shall utilize service and assistance from such organizations as SBA, Minority Business Development Agency of the Department of Commerce, the Florida Department of Management Services (Office of Supplier Diversity), the Florida Department of Transportation, Minority Business Development Center, and Local Government M/DBE programs, available in many large counties and cities. Documentation, including what firms were solicited as suppliers and/or sub-contractors, as applicable, shall be included with the bid proposal.

6. **Equal Employment Opportunity:** (As per Executive Order 11246) The contractor may not discriminate against any employee or applicant for employment because of age, race, color, creed, sex, disability or national origin. The contractor agrees to take

affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their age, race, color, creed, sex, disability or national origin. Such action shall include but not be limited to the following: employment, upgrading, demotion or transfer, recruitment advertising, layoff or termination, rates of pay or other forms of compensation and selection for training including apprenticeship.

7. Davis-Bacon Act: If applicable to this contract, the contractor agrees to comply with all provisions of the Davis Bacon Act as amended (40 U.S.C. 3141-3148). Contractors are required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. If the grant award contains Davis Bacon provisions, the Consortium will place a copy of the current prevailing wage determination issued by the Department of Labor in the solicitation document. The decision to award a contract shall be conditioned upon the acceptance of the wage determination.

8. Copeland Anti-kick Back Act: If applicable to this contract, contractors shall comply with all the requirements of 18 U.S.C. § 874, 40 U.S.C. § 3145, 29 CFR Part 3 which are incorporated by reference to this contract. Contractors are prohibited from inducing by any means any person employed in the construction, completion or repair of public work to give up any part of the compensation to which he or she is otherwise entitled.

9. Contract Work Hours and Safety Standards Act (40 U.S.C. 3701–3708): Where applicable, all contracts awarded in excess of \$100,000 that involve the employment of mechanics or laborers must be in compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor is required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

10. Clean Air Act (42 U.S.C. 7401–7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251–1387): as amended—The Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401–7671q) and the Federal Water Pollution Control Act as amended (33

U.S.C. 1251–1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

11. Debarment and Suspension (Executive Orders 12549 and 12689): A contract award (see 2 CFR 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), “Debarment and Suspension. SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. The contractor shall certify compliance. The bidder or proposer further agrees to include a provision requiring such compliance in its lower tier covered transactions and subcontracts.

12. Byrd Anti-Lobbying Amendment (31 U.S.C. 1352): Contractors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award. The contractor shall certify compliance.

13. Rights to Inventions Made under a Contract or Agreement: The Consortium, and the Federal Funding Agency, where applicable, shall hold sole rights to all inventions for any experimental, developmental, or research work performed by the Contractor and funded with Government funds through this contract.

14. Procurement of Recovered Materials: Contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act.

15. Access to Records and Reports: Contractor will make available to the Consortium’s granting agency, the granting agency’s Office of Inspector General, the Government Accountability Office, the Comptroller General of the United States, or any of their duly authorized representatives any books, documents, papers or other records, including electronic records, of the contractor that are pertinent to the Consortium grant award, in order to make audits, investigations, examinations, excerpts, transcripts, and copies of such documents. The right also includes timely and reasonable access to the contractor’s personnel during normal business hours for the purpose of interview and discussion related to such documents. This right of access shall continue as long as records are retained.

16. Record Retention: Contractor will retain of all required records pertinent to this contract for a period of three years, beginning on the date of final payment of contract, unless otherwise specified herein.

17. Federal Changes: Contractor shall comply with all applicable Federal agency regulations, policies, procedures and directives, including without limitation those listed directly or by reference, as they may be amended or promulgated from time to time during the term of the contract.

18. Termination for Default (Breach or Cause): Contracts in excess of \$10,000 – If Contractor does not deliver supplies in accordance with the contract delivery schedule, or, if the contract is for services, the Contractor fails to perform in the manner called for in the contract, or if the Contractor fails to comply with any other provisions of the contract, the Consortium may terminate the contract for default. Termination shall be effected by serving a notice of termination on the contractor setting forth the manner in which the Contractor is in default. The contractor will only be paid the contract price for supplies delivered and accepted, or services performed in accordance with the manner of performance set forth in the contract.

19. Safeguarding Personal Identifiable Information: Contractor will take reasonable measures to safeguard protected personally identifiable information and other information designated as sensitive by the awarding agency or is considered sensitive consistent with applicable Federal, state and/or local laws regarding privacy and obligations of confidentiality.

20. Prohibition on utilization of cost plus a percentage of cost contracts: The Consortium will not award contracts containing Federal funding on a cost plus percentage of cost basis.

21. Prohibition on utilization of time and material type contracts: The Consortium will not award contracts based on a time and material basis if the contract contains Federal funding.

22. Disputes: Any dispute arising under this Agreement which is not settled by Agreement of the parties may be settled by mediation or other appropriate legal proceedings. Pending any decision, appeal or judgment in such proceedings or the settlement of any dispute arising under this Agreement, Contractor shall proceed diligently with the performance of this Agreement in accordance with the decision of the Consortium. This Agreement shall be construed under the laws of the State of Florida, and venue for any actions arising out of this Agreement shall be in the Circuit Court of Leon County.

23. Energy Policy and Conservation Act (43 U.S.C. 6201): Contracts shall comply with mandatory standards and policies relating to energy efficiency, stating in the state energy conservation plan issued in compliance with the Energy Policy and Conservation act. (Pub. L. 94-163, 89 Stat. 871) [53 FR 8078, 8087, Mar. 11, 1988, as amended at 60 FR 19639, 19645, Apr. 19, 1995].

24. Pursuant to the Restore Council Financial Assistance Standard Terms and Conditions, the contract shall:

- a. Describe how the progress and performance of the Contractor will be monitored during and on close of the period of performance and identify who will be responsible for supervising the contract;
- b. Extend all applicable program requirements to the subrecipient;
- c. Include a requirement that the Contractor or subrecipient retain all records in compliance with 2 C.F.R. 200.333.
- d. Include a requirement that the subrecipient make available to the Council, the Treasury OIG, and the GAO any documents, papers or other records, including electronic records, of the subrecipient, that are pertinent to this award, in order to make audits, investigations, examinations, excerpts, transcripts, and copies of such documents. This right also includes timely and reasonable access to the subrecipient's personnel for the purpose of interview and discussion related to such documents. This right of access shall continue as long as records are required to be retained.

As the person authorized to sign this statement, I certify that this company complies/will comply fully with the above requirements.

DATE:
SIGNATURE:
TITLE:
COMPANY:
ADDRESS:
PHONE:
EMAIL:

PROPOSAL TO SERVE



September 6, 2017



Proposer

Warren Averett, LLC
45 Eglin Parkway, N.E., Suite 301
Fort Walton Beach, FL 32548

Submitted by

Angela D. Balent, CPA
Angela.Balent@warrenaverett.com
850.275.1224

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Appendix

Exhibit A	
Public Entity Crimes Form	
Experience Auditing Federal Grants	

September 6, 2017

Auditor Selection Committee
Gulf Consortium
165 Lincoln Avenue
Winter Park, FL 32789

Dear Auditor Selection Committee:

We are pleased to provide our qualifications to perform audit services for the Gulf Consortium.

Warren Averett believes we are the best firm to serve Gulf Consortium because of the following reasons:

- We live and work in 4 of the 23 Counties impacted by the Deepwater Horizon Oil Spill. We are personally vested in impacts from the spill and the recovery programs of our ecosystem and economy.
- We have been involved in the RESTORE Act since its infancy. We have tracked the legislation and attended several Gulf Consortium meetings. We knew from the start we needed to be informed and engaged so we could best serve the Florida Counties we audit. Now we stand ready to best serve the Gulf Consortium.
- In Northwest Florida and Alabama we currently audit counties and cities representing total revenues of approximately \$2 billion and a population base totaling more than 6 million citizens. We stand ready to assist Gulf Consortium as you are configured today and will continue to stand ready when the RESTORE Act funds are at its height.
- We provided audit services to the Gulf Consortium for the last three years and have knowledge of the history of the organization and a proven track record as it relates to experience, client service and timeliness in the delivery of services.

Warren Averett's Governmental Practice Group is second to none. It is one of the largest practice groups in the Firm and continues to grow. We employ over 60 auditors who are all "Yellow Book" qualified to serve our governmental clients. Our professionals are committed to providing you the highest level of service to meet your immediate and future needs. Inherent in our culture, and our people, is the promise to help you thrive and accomplish more of what is important to you.

We hope the information enclosed offers you the insight needed to fully consider the advantages of continuing to work with Warren Averett. Thank you for this opportunity, and we look forward to continue serving your team.

Sincerely,



Angela D. Balent, CPA

“Our passion for our clients underscores why we do what we do. Our promise and mission is to help you thrive and accomplish more of what's important to you, always. We do that by being on and at your side.”

James Cunningham, CEO
WARREN AVERETT

800+ WARREN
AVERETT
EMPLOYEES

160
MEMBERS

340
CPAs

1 LARGEST CPA FIRM IN
ALABAMA (2017)

2 LARGEST CPA FIRM AMONG
GULF COAST STATES (2017)

5 LARGEST CPA FIRM IN THE
SOUTHEAST (2017)

34 LARGEST CPA FIRM
IN THE U.S. (2017)

AN INDEPENDENT MEMBER OF
BDO
ALLIANCE USA

FIRM OVERVIEW

A. Description and history of the audit firm.

Warren Averett's growth is an acknowledgement that clients find value through our work. Warren Averett has grown substantially over the years and operates now with over 800 employees; including 340 CPAs, 129 Members and 13 offices across the Southeast. Through strategic mergers, alliances, and the recruitment of experienced management and top-level college recruits, Warren Averett maintains a role as a leader in the accounting industry in the Southeast.

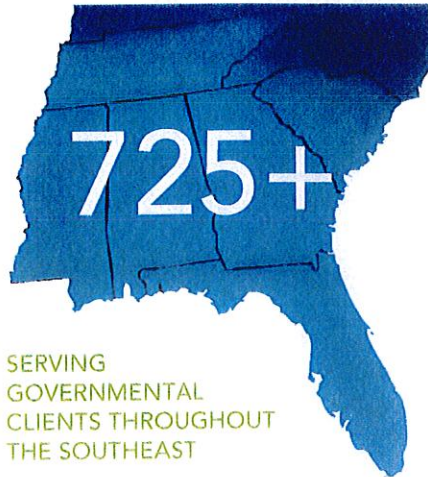
Warren Averett is a nationally recognized firm and serves some of the Southeast's largest organizations. We have the resources and depth to successfully meet the needs of our clients. From our most senior Member to our newest recruit, we strongly emphasize and take great pride in high quality service and client satisfaction. The quality of our services has sustained continued growth and resulted in recognition both locally and nationally in rankings of firms by size.

Warren Averett focuses on superior service and offers clients continuity of staffing. Each member of our leadership team is highly visible to our clients and readily accessible by virtue of their direct involvement in all aspects of our engagements. We believe that a key element in providing superior service is understanding the needs of our clients, which we obtain through the development of strong partnering relationships with our clients' management.

In addition to Warren Averett's breadth of resources and expertise, we can seamlessly offer additional resources as the largest independent member of the BDO Alliance USA. The BDO Alliance USA is a nationwide association of independently owned local and regional accounting, consulting and service firms with similar client service goals, and is a subsidiary of BDO USA, LLP, the fifth largest accounting firm in the country. Our membership gives us access to additional specialty services, niche capabilities, access to personnel resources and the opportunity to work jointly on engagements.

GOVERNMENT AUDITING EXPERIENCE AND REPRESENTATIVE CLIENTS

B. Relevant prior governmental auditing experience.



Through the mergers of our predecessor firms, Warren Averett has been a trusted advisor and external auditor for state and local governmental entities for over 50 years. We are one of the largest providers of audit, accounting and consulting services for governmental entities and nonprofit organizations in the Southeast. Our client base includes counties, cities, water and sewer systems, special districts and other agencies that receive state or federal funding whose audits fall under *Government Auditing Standards*.

Our Gulf Coast offices have a long history of providing services to governmental clients in Northwest Florida. [Warren Averett is experienced in handling the intricacies of complex, governmental entities](#) and we have the talent and resources to accommodate your current needs and future plans.

Below are a few examples of recent and long-term engagements served from our Gulf Coast offices:

- City of Niceville, Florida
- City of Callaway, Florida
- City of Foley, Alabama
- City of Fort Walton Beach, Florida
- City of Mary Esther, Florida
- City of Milton, Florida
- City of Valparaiso, Florida
- Destin Water Users
- Escambia County, Florida
- Gulf Consortium
- Mid-Bay Bridge Authority
- Okaloosa County, Florida
- Santa Rosa County, Florida
- South Walton Fire District
- South Walton Utility Company, Inc.
- Town of Cinco Bayou, Florida
- Town of Shalimar, Florida
- Town of Century, Florida

Experience Auditing Federal Grants

Warren Averett serves numerous clients throughout the Southeast that have a variety of Federal Programs included in the scope of our audit. For a representative listing of the Federal Programs audited by Warren Averett, please reference the Appendix Section of this proposal.

C. No less than three (3) references for which the firm has performed similar work.

Our professionals are committed to providing close, personal attention to our clients. We encourage you to contact the references listed on the following pages. In speaking with these individuals listed on the Reference Forms, you can hear first-hand about our Firm's qualifications and client service.

Reference Check Form

**Proposer Instructions: Fill out top (box) portion only. (Please print or type)
Include a minimum of 3 references (1 page per reference)**

Title: AUDITING SERVICES – THE GULF CONSORTIUM

Proposer/Respondent: Warren Averett, LLC

Reference: Gulf Consortium

Email: gdelegal@fl-counties.com Telephone #: 850.922.4300 Fax #: 850.488.7752
adaughty@fl-counties.com

Person to Contact: Ginger Delegal or Anna Doughty, CPA

Reference Instructions: The above Proposer/Respondent has given your name to The Gulf Consortium as a reference. Please complete the information below and email (gulf.consortium@balmoralgroup.us or fax (407-629-2183) within three (3) days.

Describe the scope of work of the contract awarded by your organization to this firm.

Was the Audit or Accounting Service completed on time and within budget?

If not, indicate why: _____

Was the consultant effective in communication, efficiency and time requirements?

If not, indicate why: _____

Please complete rubric on Page 2 based on your experience with the firm in question.

How would you rate the firm on a scale of low (1) to high (10) for the following?

<u>Category</u>	<u>Rating (1-10)</u>	<u>Category</u>	<u>Rating (1-10)</u>
Professionalism		Qualifications	
Budget Control		Cooperation	
Reliability		Final Product	

Professionalism – Manner in which the audit team and its member conducted itself over the course of the engagement.

Budget Control – Ability of the firm to stay within a reasonable range of the agreed upon budget.

Reliability – How easy or difficult was the engagement team to get a hold of or obtain responses from?

Qualifications – Were the accountants doing the job knowledgeable on the pertinent subject matter as well as other areas which impacted your audit or service?

Cooperation – Did the engagement team give clear concise instructions on what was expected of the client?

Final Product – Was the final product in line with the expectations in terms of quality and timeliness?

Would you contract with this firm again? Yes () No () Maybe ()

Reference Check Form

Proposer Instructions: Fill out top (box) portion only. (Please print or type)
Include a minimum of 3 references (1 page per reference)

Title: AUDITING SERVICES – THE GULF CONSORTIUM

Proposer/Respondent: Warren Averett, LLC

Reference: City of Fort Walton Beach, Florida

Email: mwomack@fwb.org

Telephone #: 850.833.9521

Fax #: 850.833.9640

Person to Contact: Mindy Womack, Comptroller

Reference Instructions: The above Proposer/Respondent has given your name to The Gulf Consortium as a reference. Please complete the information below and email (gulf.consortium@balmoralgroup.us or fax (407-629-2183) within three (3) days.

Describe the scope of work of the contract awarded by your organization to this firm.

Was the Audit or Accounting Service completed on time and within budget?

If not, indicate why: _____

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Professionalism		Qualifications	
Budget Control		Cooperation	
Reliability		Final Product	

Professionalism – Manner in which the audit team and its member conducted itself over the course of the engagement.

Budget Control – Ability of the firm to stay within a reasonable range of the agreed upon budget.

Reliability – How easy or difficult was the engagement team to get a hold of or obtain responses from?

Qualifications – Were the accountants doing the job knowledgeable on the pertinent subject matter as well as other areas which impacted your audit or service?

Cooperation – Did the engagement team give clear concise instructions on what was expected of the client?

Final Product – Was the final product in line with the expectations in terms of quality and timeliness?

Would you contract with this firm again? Yes () No () Maybe ()

Reference Check Form

**Proposer Instructions: Fill out top (box) portion only. (Please print or type)
Include a minimum of 3 references (1 page per reference)**

Title: AUDITING SERVICES – THE GULF CONSORTIUM

Proposer/Respondent: Warren Averett, LLC

Reference: Okaloosa County, Florida

Email: ksharon@okaloosaclerk.com

Telephone #: 850.689.5000
ext.3431

Fax #: 850.689.5882

Person to Contact: Katie Sharon, Chief Financial Officer

Reference Instructions: The above Proposer/Respondent has given your name to The Gulf Consortium as a reference. Please complete the information below and email gulf.consortium@balmoralgroup.us or fax (407-629-2183) within three (3) days.

Describe the scope of work of the contract awarded by your organization to this firm.

Was the Audit or Accounting Service completed on time and within budget?

If not, indicate why: _____

Was the consultant effective in communication, efficiency and time requirements?

If not, indicate why: _____

Please complete rubric on Page 2 based on your experience with the firm in question.

How would you rate the firm on a scale of low (1) to high (10) for the following?

<u>Category</u>	<u>Rating (1-10)</u>	<u>Category</u>	<u>Rating (1-10)</u>
Professionalism		Qualifications	
Budget Control		Cooperation	
Reliability		Final Product	

Professionalism – Manner in which the audit team and its member conducted itself over the course of the engagement.

Budget Control – Ability of the firm to stay within a reasonable range of the agreed upon budget.

Reliability – How easy or difficult was the engagement team to get a hold of or obtain responses from?

Qualifications – Were the accountants doing the job knowledgeable on the pertinent subject matter as well as other areas which impacted your audit or service?

Cooperation – Did the engagement team give clear concise instructions on what was expected of the client?

Final Product – Was the final product in line with the expectations in terms of quality and timeliness?

Would you contract with this firm again? Yes () No () Maybe ()

TEAM QUALIFICATIONS

D. Staff available for this audit, including identification and qualifications of all personnel who will be assigned to this audit.



Angela Balent has completed all necessary Continuing Education requirements of the Florida Institute of CPA's.

ANGELA BALENT, CPA **Member in Charge**

D 850.275.1224 | F 850.664.2562 | Fort Walton Beach, FL
Angela.Balent@warrenaverett.com

Angela Balent joined the Firm in 1992 and is a Member in the Firm's Audit and Accounting Services Divisions. She has more than 25 years of experience in public accounting and specializes in audit and attest services. She also has extensive experience with governmental and nonprofit, Common Interest Realty Associations and construction and governmental contractors.

Governmental Audit Experience: Gulf Consortium; Okaloosa County, Florida; City of Fort Walton Beach, Florida; City of Callaway, Florida; City of Valparaiso, Florida; Town of Shalimar, Florida; Town of Cinco Bayou, Florida

Professional Affiliations: Economic Development Council of Okaloosa County, Emerald Coast Chapter of the Florida Institute of Certified Public Accountants, Government Finance Officers Association Florida Government Finance Officers Association, American Institute of Certified Public Accountants,

CPE Training: Governmental Bootcamp, Quality Control and Accounting Update, Latest Developments in Government and Nonprofit



Kristen McAllister has completed all necessary Continuing Education requirements of the Florida Institute of CPA's.

KRISTEN MCALLISTER, CPA, CGFM **Senior Manager**

D 850.470.5537 | F 850.435.2888 | Pensacola, FL
Kristen.McAllister@warrenaverett.com

Kristen McAllister joined the Firm in 2004 and is a Senior Manager in the Firm's Audit Division. She specializes in working with governmental entities and nonprofit organizations and is a Certified Government Financial Manager (CGFM). Kristen oversees the planning of engagements and coordination of the fieldwork with clients and the team.

Governmental Audit Experience: Okaloosa County, Florida; Santa Rosa County, Florida; City of Fort Walton Beach, Florida; City of Milton, Florida; City of Niceville, Florida; Town of Shalimar, Florida; City of Foley, Alabama

Professional Affiliations: American Institute of Certified Public Accountants, Florida Institute of Certified Public Accountants, Florida Government Finance Officers Association

CPE Training: 2017 Accounting Trends Update, FGFOA Annual Conference Latest Developments in Government & Nonprofit Accounting and Auditing 2017



Jack Rowell has completed all necessary Continuing Education requirements of the Florida Institute of CPA's.

JACK ROWELL, CPA
Quality Control Member

D 850.444.7204 | F 850.435.2888 | Pensacola, FL

Jack.Rowell@warrenaverett.com

Jack Rowell has been with the Firm since 1980 and is a Member in the Firm's Audit Division. He has over 36 years of experience in public accounting and is a Practice Leader for the Gulf Coast Division. Jack has significant experience serving clients in many different industries with areas of focus including the manufacturing, governmental and nonprofit industries.

Governmental Audit Experience: Santa Rosa County, Florida; Escambia County, Florida; City of Foley, Alabama

Professional Affiliations: Florida Government Finance Officers Association, American Institute of Certified Public Accountants, Florida Institute of Certified Public Accountants

CPE Training: Governmental Bootcamp, Instructor, CPEA A&A Update and EBP Matters, State and Local Government Accounting Conference, Latest Developments in Government and Nonprofit Accounting and Auditing



Nathan Wolbert has completed all necessary Continuing Education requirements for governmental auditing.

* Nathan is a CPA licensed in the state of Pennsylvania.

NATHAN WOLBERT, CPA (PA*)
Audit Senior Associate

D 850.244.4647 | F 850.664.2562 | Fort Walton Beach, FL

Nate.Wolbert@warrenaverett.com

Nathan Wolbert joined Warren Averett in 2015 and is a Senior Associate in the Firm's Audit Division. He has more than three years of public accounting experience. Nathan has previously worked for Maher Duessel CPAs in Pittsburgh.

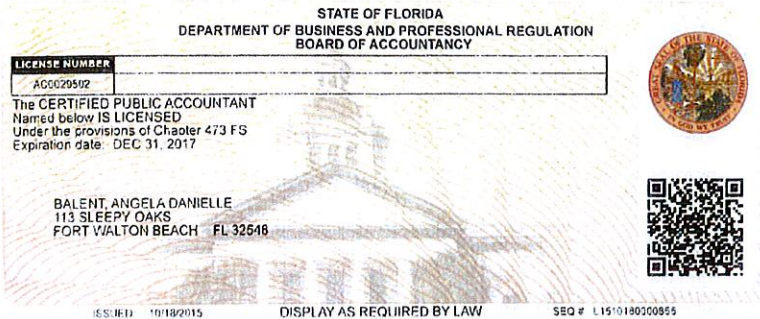
Governmental Audit Experience: Gulf Consortium; Town of Cinco Bayou, Florida; Town of Shalimar, Florida; City of Milton, Florida; City of Valparaiso, Florida; City of Fort Walton Beach, Florida

Professional Affiliations: American Institute of Certified Public Accountants

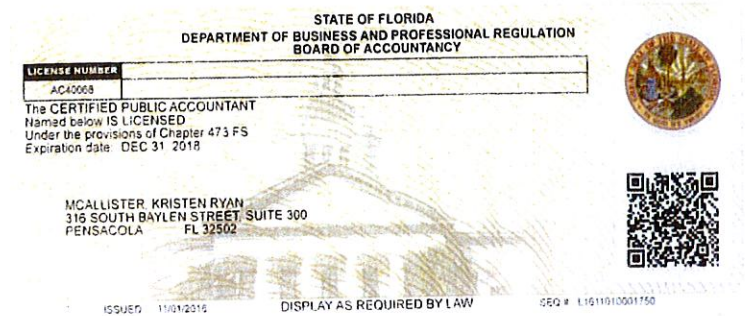
CPE Training: Latest Developments in Government and Nonprofit Accounting and Auditing, Governmental Cross-Walk for GASB-34, Accounting Trends Update

LICENSES

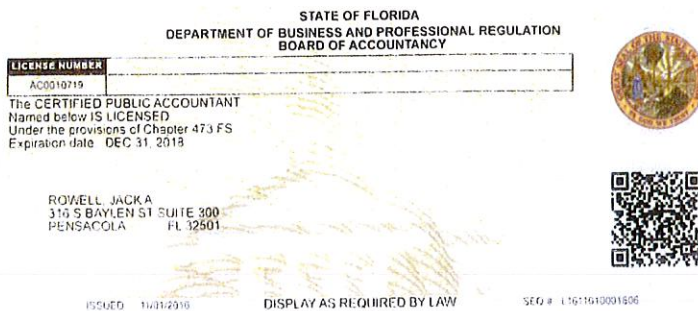
Angela Balent, CPA



Kristen McAllister, CPA



Jack Rowell, CPA



Nathan Wolbert, CPA

BUREAU OF PROFESSIONAL AND OCCUPATIONAL AFFAIRS			
P. O. Box 2649			
Harrisburg, PA 17105-2649			
08/29/2017			
License Information			
Nathan Andrew Wolbert			
Pittsburgh, Pennsylvania 15212			
Board/Commission:	State Board of Accountancy	Status Effective Date:	09/05/2014
License Type:	Certified Public Accountant	Issue Date:	09/05/2014
Specialty Type:		Expiration Date:	12/31/2017
License Number:	CA058767	Last Renewal:	12/17/2015
Status:	Active		

AUDIT SCHEDULE

E. A tentative schedule for performing the key phases of the Audit.

The timetable is based upon our understanding of your financial reporting schedule and other timing considerations. This schedule is flexible, and we will work with you in order to meet your service needs.

TIMELINE

	September 2017	October 2017	November 2017	January 2018
Begin client acceptance procedures	✓			
Begin planning process	✓			
Meet with management to discuss key operations and issues	✓			
Internal controls evaluation and walk-throughs		✓		
Interim substantive testing		✓		
Year-end audit procedures			✓	
Conduct manager and member reviews of fieldwork and reporting			✓	
Review drafts of audits with management				✓
Discuss any management letter points or findings with management				✓
Meetings with Executive Committee and Board of Directors				✓

UNDERSTANDING OF WORK TO BE PERFORMED AND AUDIT APPROACH

F. Detailed information on the auditor's proposed audit procedures to be followed and anticipated audit approach.

Warren Averett understands the full scope of work and assistance to be provided to Gulf Consortium. We will conduct the audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in:

- *Government Auditing Standards (GAS)*, issued by the Comptroller General of the United States;
- the audit requirements of Title 2 U.S. Code of *Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles*;
- *Audit Requirements for Federal Awards (Uniform Guidance)*;
- and Chapter 10:550 *Rules of the Auditor General*.

We are committed to performing the work within the time frame provided and outlining a time-line to meet the reporting deadlines.



KEY FEATURES OF OUR APPROACH

Experience. Extensive participation by the Member, senior manager and other technical resources in all phases of the audit, particularly planning, ensures that you will have experienced personnel involved throughout the engagement. Warren Averett uniquely positions its leadership team as your key contacts, allowing for efficient use of your time.

Continuity. Recognizing that the accountant's knowledge of your entity is cumulative, the staffing goal for our engagements is to provide as many of the same professionals to ensure that knowledge of the client is not re-learned each year. At a minimum, our leadership team serving our clients will remain the same.

Technology. Warren Averett is committed to providing its clients with the most efficient, secure methods of communication. We provide, at no charge, Internet-based secure file portals. These are client specific storage areas that allow information sharing and collaboration between Warren Averett and our clients.

Timing. We will coordinate the timing of the audit with key members of management to ensure that work is completed in a timely manner and all deadlines are met.

Reporting. More than just a report on an organization's financial performance, our engagements typically provide recommendations for improving controls, efficiency and fiscal responsibility. We highlight areas of concern and help you develop pragmatic solutions.

SEGMENT 1: INTERIM WORK PLAN

We estimate 20 to 25 percent of the audit can be completed at interim. Typical "interim" procedures performed will be as follows:

- **Initial Planning Sessions**—Conduct internal planning sessions and make applicable fraud inquiries and discuss any significant events or transactions. We will also discuss with management the areas where we feel further testing is deemed necessary or if they have specific areas of concern prior to finalizing our audit approach.
- **Understanding of Internal Controls**—Review internal control documents to include written policy, manuals and other information and conduct interviews to document our understanding of internal controls relative to financial statements and compliance with laws and regulations.
- **Assessing Audit Risk**—Evaluate risks associated with Gulf Consortium's operating environment and where your financial statements could be susceptible to material misstatement or fraud while considering the controls you have in place to mitigate these risks.
- **Establishment of Materiality**—Warren Averett has a specific approach for establishing materiality and focusing on certain quantitative and qualitative metrics while evaluating areas historically susceptible to potential or actual errors.
- **Reporting and Disclosures**—Discuss effect of implementation of any new accounting pronouncements. Meet with personnel to determine if any report formatting or note disclosure changes are planned for the coming year. If so, review proposed changes to formats.

Our Three-Segment Approach to Financial Statement Audits



SEGMENT 2: DETAILED AUDIT PLAN AND FIELDWORK

Procedures could include, but will not be limited to the following:

- **Substantive Procedures**—Perform test of details based on audit risk assessment through either substantive detail testing or analytical testing. When possible, we will utilize analytical procedures, such as reasonableness tests, trend analysis and predictive tests to reduce substantive testing.
- **Third Party Confirmations**—Utilize third party confirmations for cash, investments, receivables, debt and other balances, as deemed necessary.
- **Data Analysis**—Warren Averett has a group of professionals dedicated to computerized auditing techniques and related data analysis. We use a variety of products including IDEA, Monarch and ACL. This allows for more effective audits.

By using the specialized software, we can quickly sort, filter and analyze multiple transactions in a population. These computerized auditing techniques allow us to identify anomalies, making it easier to focus in on areas of potential concern and drill down on those items that have the highest risk.

Examples of uses of extraction and data analysis in our audit approach are as follows:

- Summarize disbursements for a period by dollar range and compare to policy guidelines for approvals and signature requirements.
- Check register listing to search for unrecorded liabilities or checks written during the year.
- Bank or investment statement activity converted to an Excel document. This provides a quick listing of deposits for an entire period/year.
- Vendor file test - convert vendor file to an Excel document that includes addresses and compare to employee files with addresses for any similar or unusual items related to vendor files.
- General ledger detail by account with all transactions listed, with a summary by journal entry number for easier and more effective, consistent journal entry testing procedures. This includes completeness testing of all activity for the year compared to change in trial balance amounts from year to year.
- We can also assist clients if they have internal uses for data extraction. We routinely assist clients with conversion of PDF information to Excel files.

Our familiarity with Gulf Consortium will help us provide constructive recommendations for management's consideration. All team members will utilize laptop computers and set up a mini-network in the field in order to share electronic data files created as part of the audit.

SEGMENT 3: MANAGEMENT REVIEW, CONFERENCES & REPORT PUBLICATION

Near completion of field work, the necessary upward reviews including Member-in-Charge level reviews will be performed in the field. This will allow for resolution of any review questions and permit a more timely completion of the audit. All preliminary audit adjustments and any audit findings which appear in the management letter will be discussed in advance with personnel.

The last step in the process will be the final review of the report and related release. We understand the established deadline and we will accomplish the necessary Member and quality control reviews within the applicable deadlines.



PROPOSED FEES

G. Schedule of fees/hourly rates for personnel to be assigned to this audit and anticipated hours for each member of such personnel to be devoted to this Audit. In the alternative, proposers may provide a lump sum fee for performing the requested auditing services, plus a schedule of fees/hourly rates for personnel to be assigned to the audit that may be used for any additional services. Also include fee structure and actual charges for previous audits performed for other local governments of similar size and budget for the last three years.

Warren Averett is pleased to submit our proposed fees to provide professional services for Gulf Consortium:

	2017	2018	2019
Base fee	\$5,000	\$5,000	\$5,000
Single Audit Fee*	\$14,931	\$14,931	\$14,931
	\$19,931	\$19,931	\$19,931

**Based on 1% of federal planning grant expenses per the 2017 budget. $(1,493,130 \times 1\% = 14,931)$ Actual audit fee would be adjusted each year to reflect 1.0% of incurred federal grant expenses. The maximum fee in any one year (FY 2017/2018/2019) would not exceed \$30,000 regardless of level of federal expenditures.*

Upon acceptance of this proposal, we will complete our client acceptance procedures prior to beginning the engagement. Our fees are based on your current level of operations and assume the current level of accounting and auditing standards. Changes in legal structure, acquisitions or a change in the reporting or filing requirements could require adjustments to these fees.

To gain optimum use of existing staff in your organization, fees are computed on the assumption that we will receive the assistance of your personnel in analyzing accounts, locating requested documents and drafting financial statements and footnote disclosures. If extraordinary circumstances are encountered, we will consult with you before performing additional procedures.

Incidental Charges

We believe in complete transparency in fees, which means we quote services based on experience and realistic expectations to avoid unexpected fees and we will mutually agree upon a fee in advance of any work, should a change in scope or additional projects outside the scope of this proposal become necessary.

Additionally, Gulf Consortium will not receive a bill for every quick phone call or email. Communications that result in a significant investment of time or the production of some type of deliverable may be included on your bill. Services outside the scope of work may be subject to billings outside the fixed fee quote; however, if additional billings are anticipated, we will discuss with management prior to performing the work.

Similar Government Audits

Below are the fees and actual charges for similarly sized governmental clients that Warren Averett has provided services for within the last three years.

City of Fort Walton Beach, Florida		City of Valparaiso, Florida		Town of Shallmar, Florida	
Fixed Fee		Fixed Fee		Fixed Fee	
FY 2016 Fee	\$56,359	FY 2016 Fee	\$31,900	FY 2016 Fee	\$13,260
FY 2016 Actual Charges	\$56,359	FY 2016 Actual Charges	\$31,900	FY 2016 Actual Charges	\$13,260

Hourly Rates

Below are the hourly rates to be charged for each staff person's time for the purpose of additional services.

Engagement Team	Hourly Rate
Angela Balent, Member in Charge	\$210
Kristen McAllister, Senior Manager	\$190
Jack Rowell, Quality Control Member	\$210
Nate Wolbert, Senior Associate	\$170

H. A statement acknowledging the firm has sufficient staff and availability to meet or exceed the performance specifications.

Warren Averett has the depth of resources, experience and availability to serve Gulf Consortium, and we are committed to providing you with the highest level of service to meet your immediate and future needs.

I. A copy of the firm's latest Peer Review Report.

Warren Averett is respected as an industry leader in developing and adhering to quality review standards, and we have received an unqualified opinion from every independent peer review team that has visited our Firm. Our last peer review was conducted in 2016 by Henderson Hutcherson & McCullough, PLLC of Chattanooga, Tennessee.

Our peer review reports no significant weaknesses and confirms that our systems of internal quality controls provide assurance of quality audit work and assurance that our professionals take their responsibility to adhere to the profession's standards seriously. Warren Averett received the highest possible peer review rating. This quality control review also included a review of specific governmental engagements. A copy of our most recent peer report can be found on the following page.

J. Acknowledgement of receipt of any addenda issued.

Warren Averett has reviewed the Response for Questions Received posted on the Gulf Consortium's website.

K. Signed copy of Exhibit A, General Grant Funding Special Proposal Conditions.

A signed copy of Exhibit A can be found in the Appendix Section of the proposal.

L. Provide details of pending litigation against your firm or any members of your personnel in their capacity as members, associates or employees of your firm.

In the past five years, there has been no litigation that resulted in a finding of liability or a monetary judgment against Warren Averett.

M. Disclose any past, current, or pending disciplinary action against your firm or any of your personnel by the Florida State Board of Accountancy or any other agency.

We take great pride in the fact that our Firm has never had any sanctions or other disciplinary action taken relative to performance of audit work.

PEER REVIEW REPORT



System Review Report

December 9, 2016

To The Partners
Warren Averett, LLC
And the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Warren Averett, LLC (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended July 31, 2016. 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 part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System review are described in the standards at www.aicpa.org/prsummary.

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

In our opinion, the system of quality control for the accounting and auditing practice of Warren Averett, LLC applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended July 31, 2016, 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* or *fail*. Warren Averett, LLC has received a peer review rating of *pass*.

Henderson Hutcherson
& McCullough, PLLC

1200 Market Street, Chattanooga, TN 37402 | T 423 766 7771 | F 423 365.8125

AN INDEPENDENT MEMBER OF THE BDO ALLIANCE USA

APPENDIX



Warren Averett works closely with our clients, going beyond the typical tax and audit services. Our goal is to be your trusted advisor. Our expertise in various service areas has evolved as we strive to meet our clients' needs and expectations.

AREAS WE SERVE BEYOND TAX AND AUDIT

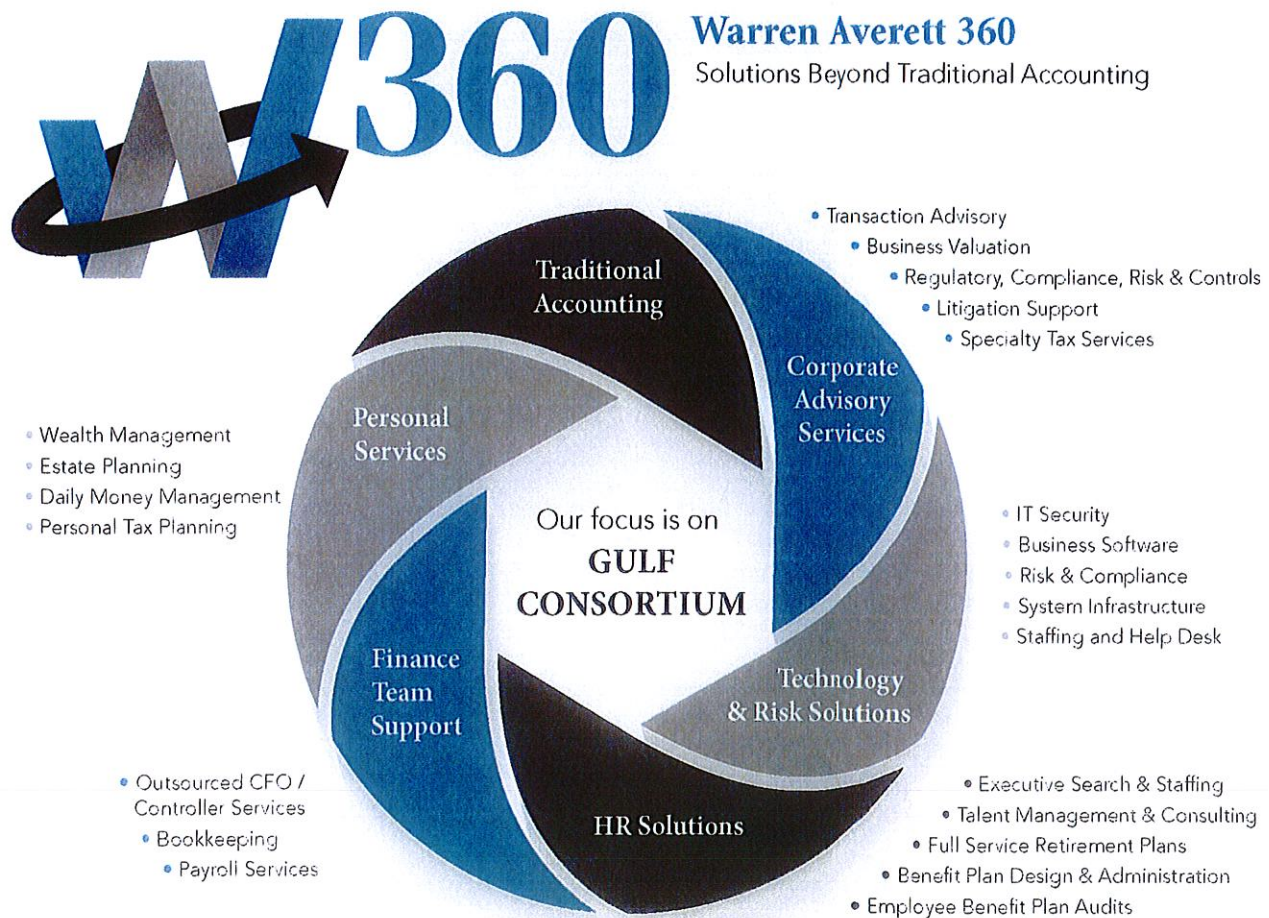


EXHIBIT A

**EXHIBIT A
GENERAL GRANT FUNDING SPECIAL PROPOSAL CONDITIONS**

This solicitation is fully or partially funded by Federal grants. Proposers shall comply with the following:

1. **Drug Free Workplace Requirements:** Drug-free workplace requirements in accordance with Drug Free Workplace Act of 1988 (Pub L 100-690, Title V, Subtitle D) All contractors entering into Federal funded contracts over \$100,000 must comply with Federal Drug Free workplace requirements as Drug Free Workplace Act of 1988.
2. **Contractor Compliance:** The contractor shall comply with all uniform administrative requirements, cost principles, and audit requirements for federal awards.
3. **Conflict of Interest:** The contractor must disclose in writing any potential conflict of interest to the Consortium or pass-through entity in accordance with applicable Federal policy.
4. **Mandatory Disclosures:** The contractor must disclose in writing all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award.
5. **Utilization of Small and Minority Businesses, Women's Business Enterprises and Labor Surplus Area Firms:** The contractor must take all necessary affirmative steps to assure that small, minority, and women-owned businesses are utilized when possible, in accordance with 2CFR 200.321. If subcontracts are to be let, prime contractor will require compliance of this provision by all sub-contractors. Prior to contract award, the contractor shall document efforts to assure that such businesses are solicited when there are potential sources; that the contractor made an effort to divide total requirement, when economically feasible, into smaller tasks or quantities to permit maximum participation by such businesses; and, that the contractor has established delivery schedules, where permitted, to encourage such businesses respond. Contractor and sub-contractor shall utilize service and assistance from such organizations as SBA, Minority Business Development Agency of the Department of Commerce, the Florida Department of Management Services (Office of Supplier Diversity), the Florida Department of Transportation, Minority Business Development Center, and Local Government M/DBE programs, available in many large counties and cities. Documentation, including what firms were solicited as suppliers and/or sub-contractors, as applicable, shall be included with the bid proposal.
6. **Equal Employment Opportunity:** (As per Executive Order 11246) The contractor may not discriminate against any employee or applicant for employment because of age, race, color, creed, sex, disability or national origin. The contractor agrees to take

affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their age, race, color, creed, sex, disability or national origin. Such action shall include but not be limited to the following: employment, upgrading, demotion or transfer, recruitment advertising, layoff or termination, rates of pay or other forms of compensation and selection for training including apprenticeship.

7. **Davis-Bacon Act:** If applicable to this contract, the contractor agrees to comply with all provisions of the Davis Bacon Act as amended (40 U.S.C. 3141-3148). Contractors are required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. If the grant award contains Davis Bacon provisions, the Consortium will place a copy of the current prevailing wage determination issued by the Department of Labor in the solicitation document. The decision to award a contract shall be conditioned upon the acceptance of the wage determination.

8. **Copeland Anti Kick Back Act:** If applicable to this contract, contractors shall comply with all the requirements of 18 U.S.C. § 874, 40 U.S.C. § 3145, 29 CFR Part 3 which are incorporated by reference to this contract. Contractors are prohibited from inducing by any means any person employed in the construction, completion or repair of public work to give up any part of the compensation to which he or she is otherwise entitled.

9. **Contract Work Hours and Safety Standards Act (40 U.S.C. 3701–3708):** Where applicable, all contracts awarded in excess of \$100,000 that involve the employment of mechanics or laborers must be in compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor is required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

10. **Clean Air Act (42 U.S.C. 7401–7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251–1387):** as amended—The Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401–7671q.) and the Federal Water Pollution Control Act as amended (33

U.S.C. 1251–1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

11. Debarment and Suspension (Executive Orders 12549 and 12689): A contract award (see 2 CFR 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), “Debarment and Suspension. SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. The contractor shall certify compliance. The bidder or proposer further agrees to include a provision requiring such compliance in its lower tier covered transactions and subcontracts.

12. Byrd Anti-Lobbying Amendment (31 U.S.C. 1352): Contractors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award. The contractor shall certify compliance.

13. Rights to Inventions Made under a Contract or Agreement: The Consortium, and the Federal Funding Agency, where applicable, shall hold sole rights to all inventions for any experimental, developmental, or research work performed by the Contractor and funded with Government funds through this contract.

14. Procurement of Recovered Materials: Contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act.

15. Access to Records and Reports: Contractor will make available to the Consortium’s granting agency, the granting agency’s Office of Inspector General, the Government Accountability Office, the Comptroller General of the United States, or any of their duly authorized representatives any books, documents, papers or other records, including electronic records, of the contractor that are pertinent to the Consortium grant award, in order to make audits, investigations, examinations, excerpts, transcripts, and copies of such documents. The right also includes timely and reasonable access to the contractor’s personnel during normal business hours for the purpose of interview and discussion related to such documents. This right of access shall continue as long as records are retained.

16. **Record Retention:** Contractor will retain of all required records pertinent to this contract for a period of three years, beginning on the date of final payment of contract, unless otherwise specified herein.

17. **Federal Changes:** Contractor shall comply with all applicable Federal agency regulations, policies, procedures and directives, including without limitation those listed directly or by reference, as they may be amended or promulgated from time to time during the term of the contract.

18. **Termination for Default (Breach or Cause):** Contracts in excess of \$10,000 – If Contractor does not deliver supplies in accordance with the contract delivery schedule, or, if the contract is for services, the Contractor fails to perform in the manner called for in the contract, or if the Contractor fails to comply with any other provisions of the contract, the Consortium may terminate the contract for default. Termination shall be effected by serving a notice of termination on the contractor setting forth the manner in which the Contractor is in default. The contractor will only be paid the contract price for supplies delivered and accepted, or services performed in accordance with the manner of performance set forth in the contract.

19. **Safeguarding Personal Identifiable Information:** Contractor will take reasonable measures to safeguard protected personally identifiable information and other information designated as sensitive by the awarding agency or is considered sensitive consistent with applicable Federal, state and/or local laws regarding privacy and obligations of confidentiality.

20. **Prohibition on utilization of cost plus a percentage of cost contracts:** The Consortium will not award contracts containing Federal funding on a cost plus percentage of cost basis.

21. **Prohibition on utilization of time and material type contracts:** The Consortium will not award contracts based on a time and material basis if the contract contains Federal funding.

22. **Disputes:** Any dispute arising under this Agreement which is not settled by Agreement of the parties may be settled by mediation or other appropriate legal proceedings. Pending any decision, appeal or judgment in such proceedings or the settlement of any dispute arising under this Agreement, Contractor shall proceed diligently with the performance of this Agreement in accordance with the decision of the Consortium. This Agreement shall be construed under the laws of the State of Florida, and venue for any actions arising out of this Agreement shall be in the Circuit Court of Leon County.

23. Energy Policy and Conservation Act (43 U.S.C. §6201): Contracts shall comply with mandatory standards and policies relating to energy efficiency, stating in the state energy conservation plan issued in compliance with the Energy Policy and Conservation act. (Pub. L. 94-163, 89 Stat. 871) [53 FR 8078, 8087, Mar. 11, 1988, as amended at 60 FR 19639, 19645, Apr. 19, 1995].

24. Pursuant to the Restore Council Financial Assistance Standard Terms and Conditions, the contract shall:

- a. Describe how the progress and performance of the Contractor will be monitored during and on close of the period of performance and identify who will be responsible for supervising the contract;
- b. Extend all applicable program requirements to the subrecipient;
- c. Include a requirement that the Contractor or subrecipient retain all records in compliance with 2 C.F.R. 200.333.
- d. Include a requirement that the subrecipient make available to the Council, the Treasury OIG, and the GAO any documents, papers or other records, including electronic records, of the subrecipient, that are pertinent to this award, in order to make audits, investigations, examinations, excerpts, transcripts, and copies of such documents. This right also includes timely and reasonable access to the subrecipient's personnel for the purpose of interview and discussion related to such documents. This right of access shall continue as long as records are required to be retained.

As the person authorized to sign this statement, I certify that this company complies/will comply fully with the above requirements.

DATE: 9-5-2017

SIGNATURE: Angela D. Balent, CPA

TITLE: Member

COMPANY: Warren Averett, LLC

ADDRESS: 45 Eglin Parkway, N.E., Suite 301, Fort Walton Beach, FL 32548

PHONE: 850-275-1224

EMAIL: Angela.Balent@warrenaverett.com

PUBLIC ENTITY CRIMES FORM

SWORN STATEMENT UNDER SECTION 287.133(3)(a),
FLORIDA STATUTES, ON PUBLIC ENTITY CRIMES

THIS FORM MUST BE SIGNED AND SWORN TO IN THE PRESENCE OF A NOTARY PUBLIC OR OTHER

OFFICER AUTHORIZED TO ADMINISTER OATHS.

1. This sworn statement is submitted to Gulf Consortium
[print name of public entity]By Angela Balent, CPA
[print individual's name and title]For Warren Averett, LLC
[print name of entity submitting sworn statement]whose business address is 45 Eglin Parkway, N.E., Suite 301, Fort Walton Beach, FL 32548
and (if applicable) its Federal Employer Identification Number (FEIN) is 45-4084437 (If the
entity has no FEIN, include the Social Security Number of the individual signing this sworn statement:
.)

2. I understand that a "public entity crime" as defined in Paragraph 287.133(1)(g), Florida Statutes, means a violation of any state or federal law by a person with respect to and directly related to the transaction of business with any business with any public entity or with an agency or political subdivision of any other state or of the United States, including, but not limited to, any bid or contract for goods or services to be provided to any public entity or an agency or political subdivision of any other state or of the United States and involving antitrust, fraud, theft, bribery, collusion, racketeering, conspiracy, or material misrepresentation.

3. I understand that "convicted" or "conviction" as defined in Paragraph 287.133(1)(b), Florida Statutes, means a finding of guilt or a conviction of a public entity crime, with or without an adjudication of guilt, in any federal or state trial court of record relating to charges brought by indictment or information after July 1, 1989, as a result of a jury verdict, nonjury trial, or entry of a plea of guilty or nolo contendere.

4. I understand that an "affiliate" as defined in Paragraph 287.133 (1)(a), Florida Statutes, means:

1. A predecessor or successor of a person convicted of a public entity crime; or
2. An entity under the control of any natural person who is active in the management of the entity and who has been convicted of a public entity crime. The term "affiliate" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in the management of an affiliate. The ownership by one person of shares constituting a controlling interest in another person, or a pooling of equipment or income among persons when not for fair market value under an arm's length agreement, shall be a prima facie case that one person controls another person. A person who knowingly enters into a joint venture with a person who has been convicted of a public entity crime in Florida during the preceding 36 months shall be considered an affiliate.

5. I understand that a "person" as defined in Paragraph 287.133(1)(e), Florida Statutes means any natural person or entity organized under the laws of any state or of the United States with the legal power to enter into a binding contract and which bids or applies to bid on contracts for the provision of goods or services let by a public entity, or which otherwise transacts or applies to transact business with

a public entity. The term "person" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in management of an entity.

6. Based on information and belief, the statement which I have marked below is true in relation to the entity submitting this sworn statement. [indicate which statement applies.]

Neither the entity submitting this sworn statement, nor any officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, nor any affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989.

The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members or agents who are active in management of the entity, or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989.

The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989. However, there has been a subsequent proceeding before a Hearing Officer of the State of Florida, Division of Administrative Hearings and the Final Order entered by the hearing Officer determined that it was not in the public interest to place the entity submitting this sworn statement on the convicted vendor list. [attach a copy of the final order]

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

Angela Balesky, CMAA
[signature]

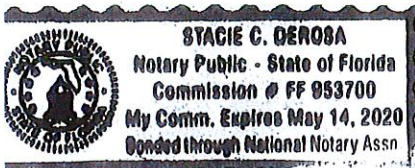
Sworn to and subscribed before me this 5th day of September, 2017.

Personally known ✓

OR Produced identification _____ Notary Public - State of Florida

(Type of Identification)

My commission expires 5/14/20



(Printed typed or stamped Commissioned name of Notary Public)

This form must be completed and returned with your RFP submittal.

EXPERIENCE AUDITING FEDERAL GRANTS

Warren Averett serves numerous governmental clients throughout the Southeast that have a variety of Federal Programs that are included within the scope of our audit. A representative listing of Federal Programs that Warren Averett has experience auditing is listed below and on the following page.

U.S. Department of Agriculture

Cooperative Forestry Assistance
National School Lunch Program
Rural Business Enterprise Grants
School Breakfast Program
Summer Food Program
Supplemental Nutrition Assistance Program
Urban and Community Forestry

U.S. Department of Defense

Department of the Army
Defense Human Resources Activity
Office of Economic Adjustment

U.S. Election Assistance Commission

Federal Elections Activity
Help America Vote

U.S. Department of Energy

Energy Efficiency and Conservation Block Grant

U.S. Environmental Protection Agency

Environmental Justice Small Grants Program
Federal Elections Activity
Southeast US Regional Targeted Watershed Initiative
Florida Pass Through
Wildlife Restoration Program

U.S. Department of Health and Human Services

Child Support Enforcement
Medical Assistance Program
Block Grant for Community Mental Health Services
Block Grant for Prevention and Treatment of Substance Abuse
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease
Senior Services Special Programs for Aging
Supportive Services and Senior Centers
HIV Care Formula Grants

U.S. Department of Homeland Security

Federal Emergency Management-Public Assistance
Corporation for National and Community Service
AmeriCorps
FEMA Hurricane Isaac
Disaster Grants
Homeland Security Grant Program
Emergency Management Performance Grants
Hazard Mitigation Grant
Strengthening Communities Fund
Public Health Emergency Preparedness
State Homeland Security Grants
Metropolitan Medical Response System
Severe Repetitive Loss Program
Domestic Security
Citizens Corps
Community Emergency Response Team

Experience Auditing Federal Grants (continued)

U.S. Department of Homeland Security

Hazmat Materials and Training
Staffing for Adequate Fire and Emergency Response
Assistance to Firefighters

U.S. Department of Housing and Urban Development

Community Development Block Grant
Entitlement Grants Cluster
Home Investment Partnership
Home Solution Grant Program
Emergency Solutions Grant Program
Homeless Prevention and Rapid Re-Housing
Neighborhood Stabilization Program
Emergency Shelter Grant Program
Disaster Recovery Grant

U.S. Department of Interior

Florida Fish and Wildlife Conservation
Historic Preservation Fund Grants
National Park Service

U.S. Department of Justice

Edward Byrne Memorial/JAG Program
Violence Against Women Formula Grants
COPS Hiring Recovery Program
Public Safety Partnership and Community Policing Grants
Safe Haven Grant
Congressionally Recommended Awards (E911)
Crime Victim Assistance

COPS Technology
Project Sky Guardian
FBI - Mobile Safe Streets
Fish and Wildlife Service
Federal Equitable Sharing Funds
Project Safe Neighborhood
Anti-Gang Initiative

U.S. Department of Labor

Senior Community Service Employment
Workforce Investment Programs
Non-Custodial Parent Placement

U.S. Department of Transportation

Airport Improvement Program
Emergency Management Performance Grants
Federal Transit Formula Grants
Highway Planning and Construction
Formula Grants for other than Urbanized Areas
Federal Transit Capital Investment Grants
State and Community Highway Safety
Hazard Mitigation Grant
Federal Aviation Administration
Local Agency Program
Pass Through FL Department of Transportation
Airport Improvement FAA
U.S. Environmental Protection Agency
Mobile Bay National Estuary Program
Federal Transit Administration Capital Grants
Non-Urbanized Transportation

EXHIBIT B
ENGAGEMENT LETTER

TERMS OF ENGAGEMENT
SEPTEMBER 20, 2018

Warren Averett, LLC is pleased to confirm our understanding of the services we are to provide for Gulf Consortium (the "Client") and any of its affiliated entities. This agreement confirms our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide.

Services Provided

We are pleased to confirm our understanding of the services we are to provide the Client for the year ended September 30, 2018. We will audit the financial statements of the business-type activities including the related notes to the financial statements, which collectively comprise the basic financial statements, of the Client as of and for the year ended September 30, 2018. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Client's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Client's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1) Management's Discussion and Analysis.

We have also been engaged to report on supplementary information other than RSI that accompanies the Client's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole in a separate written report accompanying our auditor's report on the financial statements.

1) Schedule of Expenditures of Federal Awards

We will also examine the compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*, of the Gulf Consortium as of September 30, 2018.

Audit Objective

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on:

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single

Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Members of the Gulf Consortium. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

Audit Procedures – General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include direct confirmation of receivables and certain other assets and liabilities by

correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures – Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures – Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Client's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the Client's major programs. The purpose of these procedures will be to express an opinion on the Client's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Other Services

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of the Client in conformity with U.S. generally accepted accounting principles and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal awards, and related notes services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to [include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions

or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

Management is responsible for the presentation of compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General; and for selecting the criteria and determining that such criteria are appropriate for your purposes. You are responsible for assuming all management responsibilities and for overseeing the nonaudit services we provide by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for the results of such services. We understand that you will provide us with the basic information required for our examination engagement and that you are responsible for the accuracy and completeness of that information. We may advise you about appropriate criteria or assist in the development of the subject matter, but the responsibility for the subject matter remains with you. At the end of the examination engagement, we will require a representation letter from management.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of

prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditors' reports or nine months after the end of the audit period.

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

We will provide copies of our reports to the Gulf Consortium; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Warren Averett, LLC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the primary funding Federal Oversight Agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Warren Averett, LLC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by any Cognizant Agency, Oversight Agency for Audit, or Pass-through Entity if applicable. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Angela D. Balent, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fees for these services will be \$18,000. The fees for services may include a premium for service resulting from other factors deemed relevant, including, but not necessarily limited to, the difficulty of the issues and the time limitations imposed. Other requested services will generally be billed at our standard rates in effect at the time the services are performed.

Billing

Invoices are due upon receipt. In the event that payment is not received within 45 days of the due date, the Client will be assessed interest charges of one percent per month on the unpaid balance. We reserve the right to suspend or terminate our work due to nonpayment. In the event that our work is suspended or terminated as a result of nonpayment, the Client agrees that we will not be responsible for the Client's failure to meet government and other filing deadlines, or for penalties or interest that may be assessed against the Client resulting from the Client's failure to meet such deadlines.

Detection

This engagement will not include any procedures designed to detect theft or illegal acts that are immaterial to the financial statements and the Client agrees that we will have no responsibility to do so.

Employment

In the event you desire to employ a current employee of Warren Averett, LLC or a previous employee of Warren Averett, LLC whose termination date is within 6 months of the date services were provided to you

by us, you agree to consult with us concerning such employment. In addition, if you employ such employee, you agree Warren Averett, LLC has the option to receive a reasonable placement fee from you, in an amount determined by us not exceeding 25% of employee's annual compensation at the time of termination.

Legal Fees

In addition to the fees for services described in this agreement, the Client agrees to pay legal fees incurred in connection with any suit to recover fees due from you on this engagement, and legal fees incurred by Warren Averett, LLC in responding to any third-party request for production and/or subpoenas related to your records and our work done for you in connection with an engagement thereon.

Liability

Warren Averett, LLC's maximum liability to the Client for any reason shall be limited to the fees paid by the Client for the services or work product giving rise to the liability except and to the extent finally determined to have resulted from our willful misconduct. Without limiting the foregoing, Warren Averett, LLC's liability under this agreement is limited to the actual and direct damages incurred by the Client arising out of or related to Warren Averett, LLC's performance hereunder. In no event shall Warren Averett, LLC be liable for any incidental, consequential, special, indirect, punitive or third-party damages or claims, including, without limitation, lost profits or revenue, lost savings, lost productivity, loss of data, loss of use of equipment and loss from interruption of business, regardless of whether the form of action is based upon breach of warranty, breach of contract, negligence, strict liability in tort or any other legal theory even if Warren Averett, LLC has been advised about the possibility of such damages.

Indemnity

The Client agrees to release, defend, indemnify and hold Warren Averett, LLC and its members, managers, officers and employees and the respective heirs, executors, personal representatives, successors, and assigns of each of them harmless from any and all claims which arise from knowing misrepresentations to Warren Averett, LLC by the Client, including its management, board of directors, employees and other duly authorized representatives, or intentional withholding or concealment of information from Warren Averett, LLC by the Client.

Dispute Resolution

The parties shall attempt to resolve any dispute arising under this Agreement by participating in mediation. The parties agree to share equally in the costs of such mediation. In the event the parties are unable to resolve the dispute through the mediation process, each party shall be free to pursue any other legal remedies.

Invalidation

In the event that any portion of this agreement is deemed invalid or unenforceable, said finding shall not operate to invalidate the remainder of this agreement.

Disclosure

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account including service providers located outside of the United States. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. Furthermore, we will remain responsible for the work provided by any such third-party service providers. By signing this letter, you consent to allow us to disclose your financial information to our service providers located abroad. If you want to limit the amount of information that may be disclosed to any third-party service provider, please notify us in writing as an attachment to this letter.

Term

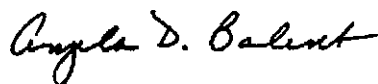
This agreement shall survive the termination of the Client's engagement of Warren Averett, LLC.

Amendment

The terms and conditions of this agreement (i) apply exclusively to the services specifically set forth in the "Services Provided" section herein (the "Current Specified Services") and do not apply to any other services specifically addressed in a separate Terms of Engagement entered into between Warren Averett, LLC and the Client. This agreement replaces and amends all previous Terms of Engagement entered into between Warren Averett, LLC and the Client for the services specifically set forth in the "Services Provided" section herein (the "Current Specified Services"). This agreement does not impose upon Warren Averett, LLC any additional obligations or responsibilities with respect to any other Terms of Engagement entered into between Warren Averett, LLC and the Client.

We appreciate the opportunity to be of service to you and believe this agreement accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you are in agreement with the terms of our engagement as described in this agreement, please sign a copy and return it to us.

WARREN AVERETT, LLC



Angela D. Balent, CPA

September 20, 2018

Date

RESPONSE: This letter correctly sets forth the understanding of the Client.

Management Signature and Title

Date

PEER REVIEW REPORT



CERTIFIED PUBLIC ACCOUNTANTS
CHATTANOOGA | MEMPHIS

System Review Report

December 9, 2016

To The Partners
Warren Averett, LLC
And the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Warren Averett, LLC (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended July 31, 2016. 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 part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System review are described in the standards at www.aicpa.org/prsummary.

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

In our opinion, the system of quality control for the accounting and auditing practice of Warren Averett, LLC applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended July 31, 2016, 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* or *fail*. Warren Averett, LLC has received a peer review rating of *pass*.

Henderson Hutcherson
& McCullough, PLLC

1200 Market Street, Chattanooga, TN 37402 | T 423.756.7771 | F 423.265.8125

AN INDEPENDENT MEMBER OF THE BDO ALLIANCE USA

APPENDIX



Warren Averett works closely with our clients, going beyond the typical tax and audit services. Our goal is to be your trusted advisor. Our expertise in various service areas has evolved as we strive to meet our clients' needs and expectations.

AREAS WE SERVE BEYOND TAX AND AUDIT

**Warren Averett 360**

Solutions Beyond Traditional Accounting

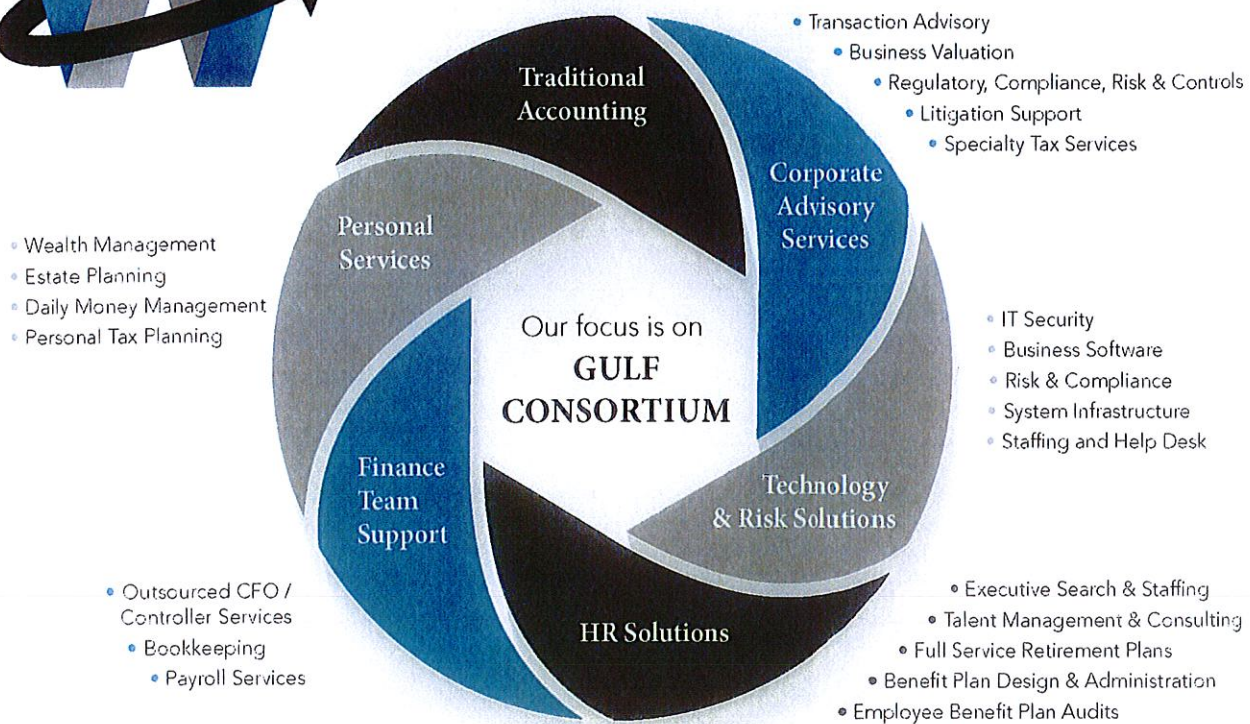


EXHIBIT A

**EXHIBIT A
GENERAL GRANT FUNDING SPECIAL PROPOSAL CONDITIONS**

This solicitation is fully or partially funded by Federal grants. Proposers shall comply with the following:

1. Drug Free Workplace Requirements: Drug-free workplace requirements in accordance with Drug Free Workplace Act of 1988 (Pub L 100-690, Title V, Subtitle D) All contractors entering into Federal funded contracts over \$100,000 must comply with Federal Drug Free workplace requirements as Drug Free Workplace Act of 1988.

2. Contractor Compliance: The contractor shall comply with all uniform administrative requirements, cost principles, and audit requirements for federal awards.

3. Conflict of Interest: The contractor must disclose in writing any potential conflict of interest to the Consortium or pass-through entity in accordance with applicable Federal policy.

4. Mandatory Disclosures: The contractor must disclose in writing all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award.

5. Utilization of Small and Minority Businesses, Women's Business Enterprises and Labor Surplus Area Firms: The contractor must take all necessary affirmative steps to assure that small, minority, and women-owned businesses are utilized when possible, in accordance with 2CFR 200.321. If subcontracts are to be let, prime contractor will require compliance of this provision by all sub-contractors. Prior to contract award, the contractor shall document efforts to assure that such businesses are solicited when there are potential sources; that the contractor made an effort to divide total requirement, when economically feasible, into smaller tasks or quantities to permit maximum participation by such businesses; and, that the contractor has established delivery schedules, where permitted, to encourage such businesses respond. Contractor and sub-contractor shall utilize service and assistance from such organizations as SBA, Minority Business Development Agency of the Department of Commerce, the Florida Department of Management Services (Office of Supplier Diversity), the Florida Department of Transportation, Minority Business Development Center, and Local Government M/DBE programs, available in many large counties and cities. Documentation, including what firms were solicited as suppliers and/or sub-contractors, as applicable, shall be included with the bid proposal.

6. Equal Employment Opportunity: (As per Executive Order 11246) The contractor may not discriminate against any employee or applicant for employment because of age, race, color, creed, sex, disability or national origin. The contractor agrees to take

affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their age, race, color, creed, sex, disability or national origin. Such action shall include but not be limited to the following: employment, upgrading, demotion or transfer, recruitment advertising, layoff or termination, rates of pay or other forms of compensation and selection for training including apprenticeship.

7. **Davis-Bacon Act:** If applicable to this contract, the contractor agrees to comply with all provisions of the Davis Bacon Act as amended (40 U.S.C. 3141-3148). Contractors are required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. If the grant award contains Davis Bacon provisions, the Consortium will place a copy of the current prevailing wage determination issued by the Department of Labor in the solicitation document. The decision to award a contract shall be conditioned upon the acceptance of the wage determination.

8. **Copeland Anti Kick Back Act:** If applicable to this contract, contractors shall comply with all the requirements of 18 U.S.C. § 874, 40 U.S.C. § 3145, 29 CFR Part 3 which are incorporated by reference to this contract. Contractors are prohibited from inducing by any means any person employed in the construction, completion or repair of public work to give up any part of the compensation to which he or she is otherwise entitled.

9. **Contract Work Hours and Safety Standards Act (40 U.S.C. 3701–3708):** Where applicable, all contracts awarded in excess of \$100,000 that involve the employment of mechanics or laborers must be in compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor is required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

10. **Clean Air Act (42 U.S.C. 7401–7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251–1387):** as amended—The Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401–7671q) and the Federal Water Pollution Control Act as amended (33

U.S.C. 1251–1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

11. Debarment and Suspension (Executive Orders 12549 and 12689): A contract award (see 2 CFR 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), "Debarment and Suspension. SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. The contractor shall certify compliance. The bidder or proposer further agrees to include a provision requiring such compliance in its lower tier covered transactions and subcontracts.

12. Byrd Anti-Lobbying Amendment (31 U.S.C. 1352): Contractors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award. The contractor shall certify compliance.

13. Rights to Inventions Made under a Contract or Agreement: The Consortium, and the Federal Funding Agency, where applicable, shall hold sole rights to all inventions for any experimental, developmental, or research work performed by the Contractor and funded with Government funds through this contract.

14. Procurement of Recovered Materials: Contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act.

15. Access to Records and Reports: Contractor will make available to the Consortium's granting agency, the granting agency's Office of Inspector General, the Government Accountability Office, the Comptroller General of the United States, or any of their duly authorized representatives any books, documents, papers or other records, including electronic records, of the contractor that are pertinent to the Consortium grant award, in order to make audits, investigations, examinations, excerpts, transcripts, and copies of such documents. The right also includes timely and reasonable access to the contractor's personnel during normal business hours for the purpose of interview and discussion related to such documents. This right of access shall continue as long as records are retained.

16. **Record Retention:** Contractor will retain of all required records pertinent to this contract for a period of three years, beginning on the date of final payment of contract, unless otherwise specified herein.

17. **Federal Changes:** Contractor shall comply with all applicable Federal agency regulations, policies, procedures and directives, including without limitation those listed directly or by reference, as they may be amended or promulgated from time to time during the term of the contract.

18. **Termination for Default (Breach or Cause):** Contracts in excess of \$10,000 – If Contractor does not deliver supplies in accordance with the contract delivery schedule, or, if the contract is for services, the Contractor fails to perform in the manner called for in the contract, or if the Contractor fails to comply with any other provisions of the contract, the Consortium may terminate the contract for default. Termination shall be effected by serving a notice of termination on the contractor setting forth the manner in which the Contractor is in default. The contractor will only be paid the contract price for supplies delivered and accepted, or services performed in accordance with the manner of performance set forth in the contract.

19. **Safeguarding Personal Identifiable Information:** Contractor will take reasonable measures to safeguard protected personally identifiable information and other information designated as sensitive by the awarding agency or is considered sensitive consistent with applicable Federal, state and/or local laws regarding privacy and obligations of confidentiality.

20. **Prohibition on utilization of cost plus a percentage of cost contracts:** The Consortium will not award contracts containing Federal funding on a cost plus percentage of cost basis.

21. **Prohibition on utilization of time and material type contracts:** The Consortium will not award contracts based on a time and material basis if the contract contains Federal funding.

22. **Disputes:** Any dispute arising under this Agreement which is not settled by Agreement of the parties may be settled by mediation or other appropriate legal proceedings. Pending any decision, appeal or judgment in such proceedings or the settlement of any dispute arising under this Agreement, Contractor shall proceed diligently with the performance of this Agreement in accordance with the decision of the Consortium. This Agreement shall be construed under the laws of the State of Florida, and venue for any actions arising out of this Agreement shall be in the Circuit Court of Leon County.

23. Energy Policy and Conservation Act (43 U.S.C. §6201): Contracts shall comply with mandatory standards and policies relating to energy efficiency, stating in the state energy conservation plan issued in compliance with the Energy Policy and Conservation act. (Pub. L. 94-163, 89 Stat. 871) [53 FR 8078, 8087, Mar. 11, 1988, as amended at 60 FR 19639, 19645, Apr. 19, 1995].

24. Pursuant to the Restore Council Financial Assistance Standard Terms and Conditions, the contract shall:

- a. Describe how the progress and performance of the Contractor will be monitored during and on close of the period of performance and identify who will be responsible for supervising the contract;
- b. Extend all applicable program requirements to the subrecipient;
- c. Include a requirement that the Contractor or subrecipient retain all records in compliance with 2 C.F.R. 200.333.
- d. Include a requirement that the subrecipient make available to the Council, the Treasury OIG, and the GAO any documents, papers or other records, including electronic records, of the subrecipient, that are pertinent to this award, in order to make audits, investigations, examinations, excerpts, transcripts, and copies of such documents. This right also includes timely and reasonable access to the subrecipient's personnel for the purpose of interview and discussion related to such documents. This right of access shall continue as long as records are required to be retained.

As the person authorized to sign this statement, I certify that this company complies/will comply fully with the above requirements.

DATE: 9-5-2017

SIGNATURE: Angela D. Balent, CPA

TITLE: Member

COMPANY: Warren Averett, LLC

ADDRESS: 45 Eglin Parkway, N.E., Suite 301, Fort Walton Beach, FL 32548

PHONE: 850-275-1224

EMAIL: Angela.Balent@warrenaverett.com

PUBLIC ENTITY CRIMES FORM

SWORN STATEMENT UNDER SECTION 287.133(3)(a), FLORIDA STATUTES, ON PUBLIC ENTITY CRIMES

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

1. This sworn statement is submitted to Gulf Consortium

[print name of public entity]

By Angela Balent, CPA

[print individual's name and title]

For Warren Averett, LLC

[print name of entity submitting sworn statement]

whose business address is 45 Eglin Parkway, N.E., Suite 301, Fort Walton Beach, FL 32548

and (if applicable) its Federal Employer Identification Number (FEIN) is 45-4084437 (If the
entity has no FEIN, include the Social Security Number of the individual signing this sworn statement:
_____.)

2. I understand that a "public entity crime" as defined in Paragraph 287.133(1)(g), Florida Statutes, means a violation of any state or federal law by a person with respect to and directly related to the transaction of business with any business with any public entity or with an agency or political subdivision of any other state or of the United States, including, but not limited to, any bid or contract for goods or services to be provided to any public entity or an agency or political subdivision of any other state or of the United States and involving antitrust, fraud, theft, bribery, collusion, racketeering, conspiracy, or material misrepresentation.

3. I understand that "convicted" or "conviction" as defined in Paragraph 287.133(1)(b), Florida Statutes, means a finding of guilt or a conviction of a public entity crime, with or without an adjudication of guilt, in any federal or state trial court of record relating to charges brought by indictment or information after July 1, 1989, as a result of a jury verdict, nonjury trial, or entry of a plea of guilty or nolo contendere.

4. I understand that an "affiliate" as defined in Paragraph 287.133 (1)(a), Florida Statutes, means:

1. A predecessor or successor of a person convicted of a public entity crime; or
2. An entity under the control of any natural person who is active in the management of the entity and who has been convicted of a public entity crime. The term "affiliate" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in the management of an affiliate. The ownership by one person of shares constituting a controlling interest in another person, or a pooling of equipment or income among persons when not for fair market value under an arm's length agreement, shall be a prima facie case that one person controls another person. A person who knowingly enters into a joint venture with a person who has been convicted of a public entity crime in Florida during the preceding 36 months shall be considered an affiliate.

5. I understand that a "person" as defined in Paragraph 287.133(1)(e), Florida Statutes means any natural person or entity organized under the laws of any state or of the United States with the legal power to enter into a binding contract and which bids or applies to bid on contracts for the provision of goods or services let by a public entity, or which otherwise transacts or applies to transact business with

a public entity. The term "person" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in management of an entity.

6. Based on information and belief, the statement which I have marked below is true in relation to the entity submitting this sworn statement. [Indicate which statement applies.]

Neither the entity submitting this sworn statement, nor any officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, nor any affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989.

The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members or agents who are active in management of the entity, or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989.

The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989. However, there has been a subsequent proceeding before a Hearing Officer of the State of Florida, Division of Administrative Hearings and the Final Order entered by the hearing Officer determined that it was not in the public interest to place the entity submitting this sworn statement on the convicted vendor list. [attach a copy of the final order]

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

Angela Balesky, L.P.A.
[signature]

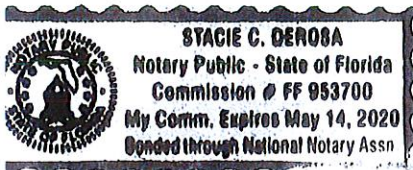
Sworn to and subscribed before me this 5th day of September, 2017.

Personally known ✓

OR Produced identification _____ Notary Public - State of Florida

(Type of Identification)

My commission expires 5/14/20



(Printed typed or stamped Commissioned name of Notary Public)

This form must be completed and returned with your RFP submittal.

EXPERIENCE AUDITING FEDERAL GRANTS

Warren Averett serves numerous governmental clients throughout the Southeast that have a variety of Federal Programs that are included within the scope of our audit. A representative listing of Federal Programs that Warren Averett has experience auditing is listed below and on the following page.

U.S. Department of Agriculture

Cooperative Forestry Assistance
National School Lunch Program
Rural Business Enterprise Grants
School Breakfast Program
Summer Food Program
Supplemental Nutrition Assistance Program
Urban and Community Forestry

U.S. Department of Defense

Department of the Army
Defense Human Resources Activity
Office of Economic Adjustment

U.S. Election Assistance Commission

Federal Elections Activity
Help America Vote

U.S. Department of Energy

Energy Efficiency and Conservation Block Grant

U.S. Environmental Protection Agency

Environmental Justice Small Grants Program
Federal Elections Activity
Southeast US Regional Targeted Watershed Initiative
Florida Pass Through
Wildlife Restoration Program

U.S. Department of Health and Human Services

Child Support Enforcement
Medical Assistance Program
Block Grant for Community Mental Health Services
Block Grant for Prevention and Treatment of Substance Abuse
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease
Senior Services Special Programs for Aging
Supportive Services and Senior Centers
HIV Care Formula Grants

U.S. Department of Homeland Security

Federal Emergency Management-Public Assistance
Corporation for National and Community Service
AmeriCorps
FEMA Hurricane Isaac
Disaster Grants
Homeland Security Grant Program
Emergency Management Performance Grants
Hazard Mitigation Grant
Strengthening Communities Fund
Public Health Emergency Preparedness
State Homeland Security Grants
Metropolitan Medical Response System
Severe Repetitive Loss Program
Domestic Security
Citizens Corps
Community Emergency Response Team

Experience Auditing Federal Grants (continued)

U.S. Department of Homeland Security

Hazmat Materials and Training
Staffing for Adequate Fire and Emergency Response
Assistance to Firefighters

U.S. Department of Housing and Urban Development

Community Development Block Grant
Entitlement Grants Cluster
Home Investment Partnership
Home Solution Grant Program
Emergency Solutions Grant Program
Homeless Prevention and Rapid Re-Housing
Neighborhood Stabilization Program
Emergency Shelter Grant Program
Disaster Recovery Grant

U.S. Department of Interior

Florida Fish and Wildlife Conservation
Historic Preservation Fund Grants
National Park Service

U.S. Department of Justice

Edward Byrne Memorial/JAG Program
Violence Against Women Formula Grants
COPS Hiring Recovery Program
Public Safety Partnership and Community Policing Grants
Safe Haven Grant
Congressionally Recommended Awards (E911)
Crime Victim Assistance

COPS Technology

Project Sky Guardian
FBI - Mobile Safe Streets
Fish and Wildlife Service
Federal Equitable Sharing Funds
Project Safe Neighborhood
Anti-Gang Initiative

U.S. Department of Labor

Senior Community Service Employment
Workforce Investment Programs
Non-Custodial Parent Placement

U.S. Department of Transportation

Airport Improvement Program
Emergency Management Performance Grants
Federal Transit Formula Grants
Highway Planning and Construction
Formula Grants for other than Urbanized Areas
Federal Transit Capital Investment Grants
State and Community Highway Safety
Hazard Mitigation Grant
Federal Aviation Administration
Local Agency Program
Pass Through FL Department of Transportation
Airport Improvement FAA
U.S. Environmental Protection Agency
Mobile Bay National Estuary Program
Federal Transit Administration Capital Grants
Non-Urbanized Transportation

EXHIBIT C

SPECIAL CONDITIONS

This Agreement is fully or partially funded by Federal grants and therefore, the Contractor will be required to comply with the following provisions:

1. **Drug Free Workplace Requirements:** All Contractors entering into Federal funded contracts over \$100,000 must comply with Federal Drug Free workplace requirements as Drug Free Workplace Act of 1988 (Pub l 100-690, Title V, Subtitle D).

2. **Contractor Compliance:** The Contractor shall comply with all uniform administrative requirements, cost principles, and audit requirements for federal awards.

3. **Conflict of Interest:** The Contractor must disclose in writing any potential conflict of interest to the Consortium or pass-through entity in accordance with applicable Federal policy.

4. **Mandatory Disclosures:** The Contractor must disclose in writing all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award.

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12. Byrd Anti-Lobbying Amendment (31 U.S.C. 1352): Contractors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award. The contractor shall certify compliance.

13. Rights to Inventions Made under a Contract or Agreement: The Consortium, and the Federal Funding Agency, where applicable, shall hold sole rights to all inventions for any experimental, developmental, or research work performed by the Contractor and funded with Government funds through this contract.

14. Procurement of Recovered Materials: Contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act.

15. Record Retention and Access to Records and Reports: In accordance with Federal regulatory requirements described in 2 C.F.R. § 200.333 and § 200.336, and Section N(0.2)(b) and Section N(0.4)(c) of the RESTORE Council Standard Terms and Conditions, the Contractor must retain all financial records, supporting documents, statistical records, and all other records pertinent to the RESTORE Act Spill-Impact Component (Pot 3) award agreement between the Gulf Consortium and the RESTORE Council for a period of three (3) years from the date of the submission of the final expenditure report. Furthermore, the Contractor must make available to the Council, the Treasury OIG, and the GAO any documents, papers or other records pertinent to this award, in order to make audits, investigations, examinations, excerpts, transcripts, and copies of such documents. The Contractor is also responsible for the timely and reasonable access to the Contractor's personnel for the purpose of interview and discussion related to such documents. The access to records requirements described above shall continue as long as the records are required to be retained.

16. Federal Changes: Contractor shall comply with all applicable Federal agency regulations, policies, procedures and directives, including without limitation those listed directly or by reference, as they may be amended or promulgated from time to time during the term of the contract.

17. Termination for Default (Breach or Cause): Contracts in excess of \$10,000 – If Contractor does not deliver supplies in accordance with the contract delivery schedule, or, if the contract is for services, the Contractor fails to perform in the manner called for in the contract, or if the Contractor fails to comply with any other provisions of the contract, the Consortium may terminate the contract for default. Termination shall be effected by serving a notice of termination on the contractor setting forth the manner in which the Contractor is in default. The Contractor will only be paid the contract price for supplies delivered and accepted, or services performed in accordance with the manner of performance set forth in the contract.

18. Safeguarding Personal Identifiable Information: Contractor will take reasonable measures to safeguard protected personally identifiable information and other information designated as sensitive by the awarding agency or is considered sensitive consistent with applicable Federal, state and/or local laws regarding privacy and obligations of confidentiality.

19. Prohibition on utilization of cost plus a percentage of cost contracts: The Consortium will not award contracts containing Federal funding on a cost plus percentage of cost basis.

20. Prohibition on utilization of time and material type contracts: The Consortium will not award contracts based on a time and material basis if the contract contains Federal funding.

21. Disputes: Any dispute arising under this Agreement which is not settled by Agreement of the parties may be settled by mediation or other appropriate legal proceedings. Pending any decision, appeal or judgment in such proceedings or the settlement of any dispute arising under this Agreement, Contractor shall proceed diligently with the performance of this Agreement in accordance with the decision of the Consortium. This Agreement shall be construed under the laws of the State of Florida, and venue for any actions arising out of this Agreement shall be in the Circuit Court of Leon County.

22. Energy Policy and Conservation Act (43 U.S.C. §6201): Contracts shall comply with mandatory standards and policies relating to energy efficiency, stating in the state energy conservation plan issued in compliance with the Energy Policy and Conservation act. (Pub. L. 94-163, 89 Stat. 871) [53 FR 8078, 8087, Mar. 11, 1988, as amended at 60 FR 19639, 19645, Apr. 19, 1995].

23. Pilot Program for Enhancement of Employee Whistleblower Protections. The National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2013 (Pub. L. No. 112-239, enacted January 2, 2013 and codified at 41 U.S.C. 4712) includes a pilot program of whistleblower protection. It applies to all Council awards, subawards, or contracts under awards issued beginning July 1, 2013 through January 1, 2017. Non-Federal entities and contractors under Federal awards and subawards shall inform their employees in writing of the rights and remedies provided under 41 U.S.C. 4712, in the predominant native language of the workforce.

24. Hatch Act. The recipient and any subrecipients, contractors and subcontractors must comply with provisions of the Hatch Act (5 U.S.C. 1501-1508 and 7324-7328), as applicable, which limit the political activities of employees whose principal employment activities are funded in whole or in part with federal funds.

AGENDA ITEM 13

**Gulf Consortium Finance and Budget Committee Meeting
September 11, 2019**

**Agenda Item 13
Proposed Members for Risk & Audit Committee.**

Statement of Issue:

Discussion of proposed Audit Committee members and schedule for recommendation to the full Board.

Background:

The inaugural meeting of the Audit Committee was held March 26, 2019. At that time, it was agreed to schedule the future year's audit committee calendars early in the fiscal year to facilitate timely review of the audit process. The aim was to have the audit committee meeting by February 2020.

Last year's audit committee included Robert Bender (Escambia County), Lane Lynchard (Santa Rosa), Heather Larson (Sarasota), and Larry Jones (Walton County). Each member was specifically invited for their experience with audit processes.

For fiscal year 2019-2020, once the audit contract is renewed, the audit of year end financials can commence as soon as final reconciliations are completed, which should be before the end of October. Hence it appears reasonable to establish the audit committee and schedule.

The Consortium's policies require a Policy Review annually. Most of the Policy Review changes that staff anticipates are likely to be in the Accounting and Finance policies, as additional knowledge has been gained about reporting turnaround times, compliance requirements and so forth. The Consortium's required annual OSA update will also be due in February, and it makes sense from a management cost and efficiency perspective to address both simultaneously. Hence it is prudent to be mindful of resources available to staff the Policy Review Committee versus the Risk and Audit Committee.

Best practice requires that Risk and Audit committees not be comprised of the same members. Staff proposes that members of the Finance Committee take up the Audit Committee responsibility, with one additional member from outside the current composition. This requires minimal burden to existing members as only one additional meeting, or possibly two, is required to fulfill the Audit Committee requirements.

Staff proposes that Robert Bender from Escambia County be asked to supplement the Finance Committee members to achieve an Audit Committee aligned with best practice. The recommendation would be made to the full board for approval. On approval, up to two proposed meeting dates would be agreed with the auditor for February 2020 and confirmed with the Audit Committee.

Action:

Recommend Audit Committee composition of:

- Robert Bender, Escambia County

- Heather Larson, Sarasota County
- Scott Carnahan, Citrus County
- Lane Lynchard, Santa Rosa County

Prepared by:

Valerie Seidel
The Balmoral Group
On: September 6, 2019

Action Taken:

Motion to: _____, Made by: _____;

Seconded by: _____.

Approved____; Approved as amended____; Defeated_____.

AGENDA ITEM 14

**Gulf Consortium Finance and Budget Committee Meeting
September 11, 2019**

**Agenda Item 14
Proposed Members for Procedures Review Committee**

Statement of Issue:

Discussion of proposed Procedures Review Committee members for recommendation to the full Board.

Background:

Gulf Consortium policy requires that the Procedures Review Committee annually review Policies and Procedures.

Discussion:

The Consortium's OSA was approved by RESTORE Council on February 25, 2019. The policy states:

“Ninety days prior to the established annual review date for all policies, which shall be the anniversary of acceptance by Council of the Consortium's OSA, the following process will commence.”

The procedures review committee will need to be stood up by November 25, 2019. While the November board meeting would allow committee composition by then, scheduling is likely to be difficult given the imminent holiday season. For ease of the committee members, it is recommended that the committee be approved in the current meeting.

Regarding composition, the policy further states:

“...the Policy Review Committees shall be comprised of General Counsel, at least one Board representative, at least one non-Board RESTORE Coordinator and representatives from Accounting, Procurement and Grants Administration”.

Based on staff review during the year, the expectation is that most of the likely changes will arise in the Finance and Accounting area and input from Finance Committee members with specialized expertise in finance and accounting will be helpful. While the full Board will approve the Committee composition, it is recommended that the Finance Committee make recommendation to include members with specialized expertise in finance and accounting.

Action:

Recommend Procedures Review Committee composition of:

- Sheree Keeler, Wakulla County (non-Board RESTORE Coordinator)
- Larry Jones, Walton County (Board member)
- Yana Matiyuk, Pinellas County (specialized Finance/Accounting)
- Matt Posner, Escambia County (Finance Committee member)

- Lynn Hoshihara, General Counsel

Prepared by:

Valerie Seidel
The Balmoral Group
On: September 6, 2019

Action Taken:

Motion to: _____, Made by: _____;

Seconded by: _____.

Approved____; Approved as amended____; Defeated_____.