

# **Solicitation 975-11857**

## **Financial Audit Services**

### **Bid Designation: Public**



## **City of Fort Lauderdale**

## Bid 975-11857 Financial Audit Services

Bid Number 975-11857  
 Bid Title Financial Audit Services  
 Bid Start Date Dec 22, 2016 1:33:22 PM EST  
 Bid End Date Jan 23, 2017 2:00:00 PM EST  
 Question & Answer End Date Jan 12, 2017 5:00:00 PM EST

Bid Contact Hendry J Lopez  
 Procurement Specialist I  
 Finance / Procurement  
 hlopez@fortlauderdale.gov

Contract Duration 5 years  
 Contract Renewal 2 annual renewals  
 Prices Good for 120 days

Bid Comments **The City of Fort Lauderdale, Florida (City) is seeking qualified, experienced and licensed firm(s) to provide Financial Audit Services for the City's Finance Department, in accordance with the terms, conditions, and specifications contained in this Request for Proposals (RFP).**  
**All pricing should be identified on the Cost Proposal page provided in this RFP. No additional costs may be accepted, other than the costs stated on the Cost Proposal page. Failure to use the City's Cost Proposal page and provide costs as requested in this RFP may deem your proposal non-responsive.**  
**All questions must be submitted in writing through the BidSync questions and answers section. The entire Bid must be submitted in accordance with the Instructions To Bidders contained in this RFP. BidSync will charge no fee on awards made by the City of Fort Lauderdale.**

**Added on Jan 3, 2017:**  
 Exhibits A, B, and C were attached. All other information remained the same.  
**Added on Jan 6, 2017:**  
 Exhibits D and E were attached. All other information remained the same.

**Addendum # 1**

New Documents	Exhibit C - CRA Annual Financial Report -FY2015.pdf Exhibit A - General Employees Retirement System - FY2015 Audit Report.pdf Exhibit B - City of Fort Lauderdale - Large User Wastewater Report.pdf
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**Addendum # 2**

New Documents	Exhibit D - FY2016 Engagement Letter.pdf Exhibit E -Fiscal Year 2016 Financial Audit Timeline.pdf
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Item Response Form

Item 975-11857--01-01 - Financial Audit Services

Quantity 1 service

Unit Price

Delivery Location City of Fort Lauderdale

No Location Specified

Qty 1

**Description**

The City of Fort Lauderdale, Florida (City) is seeking qualified, experienced and licensed firm(s) to provide Financial Audit Services for the City's Finance Department, in accordance with the terms, conditions, and specifications contained in this Request for Proposals (RFP).

See Cost Proposal Page for details.

City of Fort Lauderdale  
Financial Audit Services  
RFP # 975-11857

## SECTION I – INTRODUCTION AND INFORMATION

### 1.1 Purpose

The City of Fort Lauderdale, Florida (City) is seeking qualified, experienced and licensed firm(s) to provide Professional Financial Audit Services for the City's Finance Department, in accordance with the terms, conditions, and specifications contained in this Request for Proposals (RFP).

### 1.2 Submission Deadline

Sealed proposals shall be delivered during the City's normal business hours in a sealed envelope and addressed to the City of Fort Lauderdale Procurement Services Division, 100 N. Andrews Avenue, #619, Fort Lauderdale, FL 33301 (City Hall) no later than the date and time specified, at which time and place the proposals will be publicly opened and the names of the firms will be read. After the deadline, proposals will not be accepted. Firms are responsible for making certain that their proposal is received at the location specified by the due date and time. The City of Fort Lauderdale is not responsible for delays caused by any mail, package or courier service, including the U.S. mail, or caused by any other occurrence or condition. The City's normal business hours are Monday through Friday, 8:00 a.m. through 5:00 p.m. excluding holidays observed by the City.

### 1.3 Pre-proposal Conference and Site Visit

There will not be a pre-bid conference or site visit for this Request for Proposal.

It will be the sole responsibility of the Contractor to become familiar with the scope of the City's requirements and systems prior to submitting a proposal. No variation in price or conditions shall be permitted based upon a claim of ignorance. Submission of a proposal will be considered evidence that the proposer has familiarized themselves with the nature and extent of the work, equipment, materials, and labor required.

### 1.4 BidSync

The City of Fort Lauderdale uses BidSync ([www.bidsync.com](http://www.bidsync.com)) to administer the competitive solicitation process, including but not limited to soliciting proposals, issuing addenda, posting results and issuing notification of an intended decision. There is no charge to register and download the RFP from BidSync. Proposers are strongly encouraged to read the various vendor Guides and Tutorials available in BidSync well in advance of their intention of submitting a proposal to ensure familiarity with the use of BidSync. The City shall not be responsible for a Proposers inability to submit a Proposal by the end date and time for any reason, including issues arising from the use of BidSync.

### 1.5 Point of Contact

For information concerning procedures for responding to this solicitation, contact Procurement Specialist Hendry Lopez at (954) 828-5189 or email at [hlopez@fortlauderdale.gov](mailto:hlopez@fortlauderdale.gov). Such contact shall be for clarification purposes only.

For information concerning technical specifications, please utilize the question / answer feature provided by BidSync at [www.bidsync.com](http://www.bidsync.com). Questions of a material nature must be received prior to the cut-off date specified in the RFP Schedule. Material changes, if any, to the scope of services or bidding procedures will only be transmitted by written addendum.



(See addendum section of BidSync Site). Contractors please note: Proposals shall be submitted as stated in PART IV – Submittal Requirements. No part of your proposal can be submitted via FAX. No variation in price or conditions shall be permitted based upon a claim of ignorance. Submission of a proposal will be considered evidence that the Contractor has familiarized themselves with the nature and extent of the work, and the equipment, materials, and labor required. The entire proposal must be submitted in accordance with all specifications contained in this solicitation. The questions and answers submitted in BidSync shall become part of any contract that is created from this RFP.

*END OF SECTION*

## SECTION II - SPECIAL TERMS AND CONDITIONS

### 2.1 General Conditions

RFP General Conditions (Form G-107, Rev. 02/15) are included and made a part of this RFP.

### 2.2 Addenda, Changes, and Interpretations

It is the sole responsibility of each firm to notify the Buyer utilizing the question / answer feature provided by BidSync and request modification or clarification of any ambiguity, conflict, discrepancy, omission or other error discovered in this competitive solicitation. Requests for clarification, modification, interpretation, or changes must be received prior to the Question and Answer (Q & A) Deadline. Requests received after this date may not be addressed. Questions and requests for information that would not materially affect the scope of services to be performed or the solicitation process will be answered within the question / answer feature provided by BidSync and shall be for clarification purposes only. Material changes, if any, to the scope of services or the solicitation process will only be transmitted by official written addendum issued by the City and uploaded to BidSync as a separate addendum to the RFP. Under no circumstances shall an oral explanation given by any City official, officer, staff, or agent be binding upon the City and should be disregarded. All addenda are a part of the competitive solicitation documents and each firm will be bound by such addenda. It is the responsibility of each to read and comprehend all addenda issued.

### 2.3 Changes and Alterations

Proposer may change or withdraw a Proposal at any time prior to Proposal submission deadline; however, no oral modifications will be allowed. Modifications shall not be allowed following the Proposal deadline.

### 2.4 Proposer's Costs

The City shall not be liable for any costs incurred by proposers in responding to this RFP.

### 2.5 Pricing/Delivery

All pricing should be identified on the Cost Proposal page provided in this RFP. No additional costs may be accepted, other than the costs stated on the Cost Proposal page. Failure to use the City's Cost Proposal page and provide costs as requested in this RFP may deem your proposal non-responsive.

Contractor must quote a firm, fixed price for all services stated in the RFP. All costs including travel shall be included in your proposal. The City shall not accept any additional costs including any travel associated with coming to the City of Fort Lauderdale.

Prices proposed shall be valid for at least One-Hundred and Twenty (120) days from time of RFP opening unless otherwise extended and agreed upon by the City and proposer.

### 2.6 Invoices/Payment

Payment terms will be considered to be net 45 days after the date of satisfactory delivery at the place of acceptance and receipt of correct invoice at the office specified, whichever occurs last, in accordance with the Florida Local Government Prompt Payment Act. Bidder may offer cash discounts for prompt payment but they will not be considered in determination of award.

### 2.7 Related Expenses/Travel Expenses

All costs including travel are to be included in your proposal. The City will not accept any additional costs.

## **2.8 Payment Method**

The City of Fort Lauderdale has implemented a Procurement Card (P-Card) program which changes how payments are remitted to its vendors. The City has transitioned from traditional paper checks to payment by credit card via MasterCard or Visa. This allows you as a vendor of the City of Fort Lauderdale to receive your payment fast and safely. No more waiting for checks to be printed and mailed. Payments will be made utilizing the City's P-Card (MasterCard or Visa). Accordingly, it is prefer for firms to presently have the ability to accept credit card payment or take whatever steps necessary to implement acceptance of a credit card before the commencement of a contract. See Contract Payment Method form attached.

## **2.9 Mistakes**

The consultant shall examine this RFP carefully. The submission of a Proposal shall be prima facie evidence that the consultant has full knowledge of the scope, nature, and quality of the work to be performed; the detailed requirements of the specifications; and the conditions under which the work is to be performed. Ignorance of the requirements will not relieve the consultant from liability and obligations under the Contract.

## **2.10 Acceptance of Proposals / Minor Irregularities**

**2.10.1** The City reserves the right to accept or reject any or all proposals, part of proposals, and to waive minor irregularities or variances to specifications contained in proposals which do not make the proposal conditional in nature and minor irregularities in the solicitation process. A minor irregularity shall be a variation from the solicitation that does not affect the price of the contract or does not give a respondent an advantage or benefit not enjoyed by other respondents, does not adversely impact the interests of other firms or, does not affect the fundamental fairness of the solicitation process. The City also reserves the right to reissue a Request for Proposal.

**2.10.2** The City reserves the right to disqualify Proposer during any phase of the competitive solicitation process and terminate for cause any resulting contract upon evidence of collusion with intent to defraud or other illegal practices on the part of the Proposer.

## **2.11 Modification of Services**

**2.11.1** While this contract is for services provided to the department referenced in this Request for Proposals, the City may require similar work for other City departments. Successful Proposer agrees to take on such work unless such work would not be considered reasonable or become an undue burden to the Successful Proposer.

**2.11.2** The City reserves the right to delete any portion of the work at any time without cause, and if such right is exercised by the City, the total fee shall be reduced in the same ratio as the estimated cost of the work deleted bears to the estimated cost of the work originally planned. If work has already been accomplished and approved by the City on any portion of a contract resulting from this RFP, the Successful Proposer shall be paid for the work completed on the basis of the estimated percentage of completion of such portion to the total project cost.

**2.11.3** The City may require additional items or services of a similar nature, but not specifically listed in the contract. The Successful Proposer agrees to provide such items or services, and shall provide the City prices on such additional items or services. If the price(s) offered are not acceptable to the City, and the situation cannot be resolved to the satisfaction of the City, the City reserves the right to

procure those items or services from other vendors, or to cancel the contract upon giving the Successful Proposer thirty (30) days written notice.

**2.11.4** If the Successful Proposer and the City agree on modifications or revisions to the task elements, after the City has approved work to begin on a particular task or project, and a budget has been established for that task or project, the Successful Proposer will submit a revised budget to the City for approval prior to proceeding with the work.

**2.12 No Exclusive Contract**

Proposer agrees and understands that the contract shall not be construed as an exclusive arrangement and further agrees that the City may, at any time, secure similar or identical services from another vendor at the City's sole option.

**2.13 Sample Contract Agreement**

A sample of the formal agreement template, which may be required to be executed by the awarded vendor can be found at our website

[http://fortlauderdale.gov/purchasing/AWARDS/CONTRACT\\_TEMPLATE\\_SERVICES.pdf](http://fortlauderdale.gov/purchasing/AWARDS/CONTRACT_TEMPLATE_SERVICES.pdf)

**2.14 Responsiveness**

In order to be considered responsive to the solicitation, the firm's proposal shall fully conform in all material respects to the solicitation and all of its requirements, including all form and substance.

**2.15 Responsibility**

In order to be considered as a responsible firm, firm shall be fully capable to meet all of the requirements of the solicitation and subsequent contract, must possess the full capability, including financial and technical, to perform as contractually required, and must be able to fully document the ability to provide good faith performance.

**2.16 Minimum Qualifications**

Proposers shall be in the business of Public Accounting and Auditing Services and must possess sufficient financial support, equipment and organization to ensure that it can satisfactorily perform the services if awarded a Contract. Proposers must demonstrate that they, or the key staff assigned to the project, have successfully provided services with similar magnitude to those specified in the scope of services to at least one entity similar in size and complexity to the City of Fort Lauderdale or can demonstrate they have the experience with large scale private sector clients and the managerial and financial ability to successfully perform the work.

Proposers shall satisfy each of the following requirements cited below. Failure to do so may result in the proposal being deemed non-responsive.

**2.16.1** Proposer or principals shall have relevant experience in auditing and accounting. Project manager assigned to the work must have experience in annual audits and have served as project manager on similar projects.

**2.16.2** Before awarding a contract, the City reserves the right to require that a Proposer submit such evidence of qualifications as the City may deem necessary. Further, the City may consider any evidence of the financial, technical, and other qualifications and abilities of a firm or principals, including previous experiences of same with the City

and performance evaluation for services, in making the award in the best interest of the City.

- 2.16.3** Firm or principals shall have no record of judgments, pending lawsuits against the City or criminal activities involving moral turpitude and not have any conflicts of interest that have not been waived by the City Commission.
- 2.16.4** Neither firm nor any principal, officer, or stockholder shall be in arrears or in default of any debt or contract involving the City, (as a party to a contract, or otherwise); nor have failed to perform faithfully on any previous contract with the City.
- 2.16.5** Firm and those performing the work must be appropriately licensed and registered in the State of Florida.
- 2.16.6** The City of Fort Lauderdale is looking for proposals from qualified certified public accounting firms.

## **2.17 Lobbying Activities**

Any contractor submitting a response to this solicitation must comply, if applicable, with City of Fort Lauderdale Ordinance No. C-00-27 & Resolution No. 07-101, Lobbying Activities. Copies of Ordinance No. C-00-27 and Resolution No. 07-101 may be obtained from the City Clerk's Office on the 7th Floor of City Hall, 100 N. Andrews Avenue, Fort Lauderdale, Florida. The ordinance may also be viewed on the City's website at:

[http://www.fortlauderdale.gov/clerk/LobbyistDocs/lobbyist\\_ordinance.pdf](http://www.fortlauderdale.gov/clerk/LobbyistDocs/lobbyist_ordinance.pdf).

## **2.18 Local Business Preference**

- 2.18.1** Section 2-199.2, Code of Ordinances of the City of Fort Lauderdale, provides for a local business preference. In order to be considered for a local business preference, a proposer must include the Local Business Preference Certification Statement of this RFP, as applicable to the local business preference class claimed at the time of Proposal submittal:
- 2.18.2** Upon formal request of the City, based on the application of a Local Business Preference the Proposer shall within ten (10) calendar days submit the following documentation to the Local Business Preference Class claimed:
  - a.** Copy of City of Fort Lauderdale current year business tax receipt, or Broward County current year business tax receipt, and
  - b.** List of the names of all employees of the proposer and evidence of employees' residence within the geographic bounds of the City of Fort Lauderdale or Broward County, as the case may be, such as current Florida driver license, residential utility bill (water, electric, telephone, cable television), or other type of similar documentation acceptable to the City.
- 2.18.3** Failure to comply at time of Proposal submittal shall result in the Proposer being found ineligible for the local business preference.
- 2.18.4** The complete local business preference ordinance may be found on the City's web site at the following link: <http://fortlauderdale.gov/home/showdocument?id=6422>

### 2.18.5 Definitions

The term "Business" shall mean a person, firm, corporation or other business entity which is duly licensed and authorized to engage in a particular work in the State of Florida. Business shall be broken down into four (4) types of classes:

1. Class A Business – shall mean any Business that has established and agrees to maintain a permanent place of business located in a non-residential zone and staffed with full-time employees within the limits of the City and shall maintain a staffing level of the prime contractor for the proposed work of at least fifty percent (50%) who are residents of the City.
2. Class B Business - shall mean any Business that has established and agrees to maintain a permanent place of business located in a non-residential zone and staffed with full-time employees within the limits of the City or shall maintain a staffing level of the prime contractor for the proposed work of at least fifty percent (50%) who are residents of the City.
3. Class C Business - shall mean any Business that has established and agrees to maintain a permanent place of business located in a non-residential zone and staffed with full-time employees within the limits of Broward County.
4. Class D Business – shall mean any Business that does not qualify as either a Class A, Class B, or Class C business.

### 2.19 Protest Procedure

**2.19.1** Any Proposer or Bidder who is not recommended for award of a contract and who alleges a failure by the city to follow the city's procurement ordinance or any applicable law may protest to the director of procurement services division (director), by delivering a letter of protest to the director within five (5) days after a notice of intent to award is posted on the city's web site at the following link:

<http://www.fortlauderdale.gov/departments/finance/procurement-services/notices-of-intent-to-award>.

**2.19.2** The complete protest ordinance may be found on the city's web site at the following link: <http://www.fortlauderdale.gov/purchasing/protestordinance.pdf>

### 2.20 Public Entity Crimes

Contractor, by submitting a proposal attests she/he/it has not been placed on the convicted vendor list. 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 proposal on a contract to provide any goods or services to a public entity, may not submit a proposal on a contract with a public entity for the construction or repair of a public building or public work, may not submit proposals 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, Florida Statutes, for Category Two for a period of 36 months from the date of being placed on the convicted vendor list.

### 2.21 Subcontractors

**2.21.1** If the Contractor proposes to use subcontractors in the course of providing these services to the City, this information shall be a part of the bid response. Such

information shall be subject to review, acceptance and approval of the City, prior to any contract award. The City reserves the right to approve or disapprove of any subcontractor candidate in its best interest and to require Contractor to replace subcontractor with one that meets City approval.

**2.21.2** Contractor shall ensure that all of Contractor's subcontractors perform in accordance with the terms and conditions of this Contract. Contractor shall be fully responsible for all of Contractor's subcontractors' performance, and liable for any of Contractor's subcontractors' non-performance and all of Contractor's subcontractors' acts and omissions. Contractor shall defend, at Contractor's expense, counsel being subject to the City's approval or disapproval, and indemnify and hold harmless the City and the City's officers, employees, and agents from and against any claim, lawsuit, third-party action, or judgment, including any award of attorney fees and any award of costs, by or in favor of any Contractor's subcontractors for payment for work performed for the City.

**2.21.3** Contractor shall require all of its subcontractors to provide the required insurance coverage as well as any other coverage that the contractor may consider necessary, and any deficiency in the coverage or policy limits of said subcontractors will be the sole responsibility of the contractor..

**2.22 Proposal Security – N/A**

**2.23 Payment and Performance Bond – N/A**

**2.24 Insurance Requirements**

**2.24.1** The Contractor shall furnish proof of insurance requirements as indicated below. The coverage is to remain in force at all times during the contract period. The following minimum insurance coverage is required. The City is to be added as an "additional insured" with relation to General Liability Insurance. This MUST be written in the description section of the insurance certificate, even if you have a check-off box on your insurance certificate. Any costs for adding the City as "additional insured" will be at the contractor's expense.

**2.24.2** The City of Fort Lauderdale shall be given notice 10 days prior to cancellation or modification of any stipulated insurance. The insurance provided shall be endorsed or amended to comply with this notice requirement. In the event that the insurer is unable to accommodate, it shall be the responsibility of the Contractor to provide the proper notice. Such notification will be in writing by registered mail, return receipt requested and addressed to the Procurement Services Division.

**2.24.3** The Contractor's insurance must be provided by an A.M. Best's "A-" rated or better insurance company authorized to issue insurance policies in the State of Florida, subject to approval by the City's Risk Manager. Any exclusions or provisions in the insurance maintained by the contractor that precludes coverage for work contemplated in this RFP shall be deemed unacceptable, and shall be considered breach of contract.

**Workers' Compensation and Employers' Liability Insurance**

Limits: Workers' Compensation – Per Florida Statute 440  
Employers' Liability - \$500,000

Any firm performing work on behalf of the City of Fort Lauderdale must provide Workers' Compensation insurance. Exceptions and exemptions will be allowed by the City's Risk Manager, if they are in accordance with Florida Statute. For additional information contact the Department of Financial Services, Workers' Compensation Division at (850) 413-1601 or on the web at [www.fldfs.com](http://www.fldfs.com).

### **Commercial General Liability Insurance**

Covering premises-operations, products-completed operations, independent contractors and contractual liability.

Limits: Combined single limit bodily injury/property damage \$1,000,000. This coverage must include, but not limited to:

- a. Coverage for the liability assumed by the contractor under the indemnity provision of the contract.
- b. Coverage for Premises/Operations
- c. Products/Completed Operations
- d. Broad Form Contractual Liability
- e. Independent Contractors

### **Automobile Liability Insurance**

Covering all owned, hired and non-owned automobile equipment.

Limits: Bodily injury     \$250,000 each person, \$500,000 each occurrence  
Property damage        \$100,000 each occurrence

### **Professional Liability (Errors & Omissions)**

#### Consultants

Limits:     \$2,000,000 per occurrence

**2.24.4** A copy of **ANY** current Certificate of Insurance should be included with your proposal.

**2.24.5** In the event that you are the successful Proposer, you will be required to provide a certificate naming the City as an "additional insured" for General Liability. Certificate holder should be addressed as follows:

City of Fort Lauderdale  
Procurement Services Division  
100 N. Andrews Avenue, Room 619  
Fort Lauderdale, FL 33301

### **2.25 Award of Contract**

A Contract (the "Agreement") may be awarded by the City Commission. The City reserves the right to execute or not execute, as applicable, a contract with the Proposer(s) that is determined to be in the City's best interests. The City reserves the right to award a contract to more than one Proposer, at the sole and absolute discretion of the in the City.



**2.26 Unauthorized Work**

The Successful Proposer(s) shall not begin work until a Contract has been awarded by the City Commission and a notice to proceed has been issued. Proposer(s) agree and understand that the issuance of a Purchase Order and/or Task Order shall be issued and provided to the Successful Proposer(s) following Commission award; however, receipt of a purchase order and/or task order shall not prevent the Successful Proposer(s) from commencing the work once the City Commission has awarded the contract and notice to proceed is issued.

**2.27 Damage to Public or Private Property – N/A****2.28 Safety – N/A****2.29 Uncontrollable Circumstances ("Force Majeure")**

The City and Contractor will be excused from the performance of their respective obligations under this agreement when and to the extent that their performance is delayed or prevented by any circumstances beyond their control including, fire, flood, explosion, strikes or other labor disputes, act of God or public emergency, war, riot, civil commotion, malicious damage, act or omission of any governmental authority, delay or failure or shortage of any type of transportation, equipment, or service from a public utility needed for their performance, provided that:

**2.29.1** The non performing party gives the other party prompt written notice describing the particulars of the Force Majeure including, but not limited to, the nature of the occurrence and its expected duration, and continues to furnish timely reports with respect thereto during the period of the Force Majeure;

**2.29.2** The excuse of performance is of no greater scope and of no longer duration than is required by the Force Majeure;

**2.29.3** No obligations of either party that arose before the Force Majeure causing the excuse of performance are excused as a result of the Force Majeure; and

**2.29.4** The non performing party uses its best efforts to remedy its inability to perform. Notwithstanding the above, performance shall not be excused under this Section for a period in excess of two (2) months, provided that in extenuating circumstances, the City may excuse performance for a longer term. Economic hardship of the Contractor will not constitute Force Majeure. The term of the agreement shall be extended by a period equal to that during which either party's performance is suspended under this Section.

**2.30 Canadian Companies**

The City may enforce in the United States of America or in Canada or in both countries a judgment entered against the Contractor. The Contractor waives any and all defenses to the City's enforcement in Canada, of a judgment entered by a court in the United States of America. All monetary amounts set forth in this Contract are in United States dollars.

**2.31 News Releases/Publicity**

News releases, publicity releases, or advertisements relating to this contract or the tasks or projects associated with the project shall not be made without prior City approval.

**2.32 Manufacturer/Brand/Model Specific Request – N/A****2.33 Contract Period**

The initial contract term shall commence upon date of award by the City, and shall expire five years from that date. The City reserves the right to extend the contract for two, additional one year terms, providing all terms conditions and specifications remain the same, both parties agree to the extension, and such extension is approved by the City.

In the event services are scheduled to end because of the expiration of this contract, the Contractor shall continue the service upon the request of the City as authorized by the awarding authority. The extension period shall not extend for more than 120 days beyond the expiration date of the existing contract. The Contractor shall be compensated for the service at the rate in effect when this extension clause is invoked by the City.

**2.34 Cost Adjustments**

Prices quoted shall be firm for the initial contract term of five years. No cost increases shall be accepted in this initial contract term. Please consider this when providing pricing for this request for proposal.

Thereafter, any extensions which may be approved by the City shall be subject to the following: costs for any extension terms shall be subject to an adjustment only if increases or decreases occur in the industry. Such adjustment shall be based on the latest yearly percentage increase in the All Urban Consumers Price Index (CPI-U) as published by the Bureau of Labor Statistics, U.S. Dep't. of Labor, and shall not exceed five percent (5%).

The yearly increase or decrease in the CPI shall be that latest Index published and available for the calendar year ending 12/31, prior to the end of the contract year then in effect, as compared to the index for the comparable month, one-year prior.

Any requested adjustment shall be fully documented and submitted to the City at least ninety (90) days prior to the contract anniversary date. Any approved cost adjustments shall become effective on the beginning date of the approved contract extension.

The City may, after examination, refuse to accept the adjusted costs if they are not properly documented, or considered to be excessive, or if decreases are considered to be insufficient. In the event the City does not wish to accept the adjusted costs and the matter cannot be resolved to the satisfaction of the City, the Contract will be considered cancelled on the scheduled expiration date.

**2.35 Service Test Period**

If the Contractor has not previously performed the services to the city, the City reserves the right to require a test period to determine if the Contractor can perform in accordance with the requirements of the contract, and to the City's satisfaction. Such test period can be from thirty to ninety days, and will be conducted under all specifications, terms and conditions contained in the contract. This trial period will then become part of the initial contract period.

A performance evaluation will be conducted prior to the end of the test period and that evaluation will be the basis for the City's decision to continue with the Contractor or to select another Contractor (if applicable).

**2.36 Contract Coordinator**

The City may designate a Contract Coordinator whose principal duties shall be:

- Liaison with Contractor.
- Coordinate and approve all work under the contract.
- Resolve any disputes.
- Assure consistency and quality of Contractor's performance.
- Schedule and conduct Contractor performance evaluations and document findings.
- Review and approve for payment all invoices for work performed or items delivered.

**2.37 Contractor Performance Reviews and Ratings**

The City Contract Coordinator may develop a Contractor performance evaluation report. This report shall be used to periodically review and rate the Contractor's performance under the contract with performance rating as follows:

Excellent	Far exceeds requirements.
Good	Exceeds requirements
Fair	Just meets requirements.
Poor	Does not meet all requirements and contractor is subject to penalty provisions under the contact.
Non-compliance	Either continued poor performance after notice or a performance level that does not meet a significant portion of the requirements. This rating makes the Contractor subject to the default or cancellation for cause provisions of the contract.

The report shall also list all discrepancies found during the review period. The Contractor shall be provided with a copy of the report, and may respond in writing if he takes exception to the report or wishes to comment on the report. Contractor performance reviews and subsequent reports will be used in determining the suitability of contract extension.

**2.38 Substitution of Personnel**

It is the intention of the City that the Contractor's personnel proposed for the contract will be available for the contract term. In the event the Contractor wishes to substitute personnel, he shall propose personnel of equal or higher qualifications and all replacement personnel are subject to City approval. In the event substitute personnel are not satisfactory to the City and the matter cannot be resolved to the satisfaction of the City, the City reserves the right to cancel the Contract for cause. See Section 5.09 General Conditions.

**2.39 Insurance for Collection of Credit Card Payments – N/A****2.40 Ownership of Work**

The City shall have full ownership and the right to copyright, otherwise limit, reproduce, modify, sell, or use all of the work or product produced under this contract without payment of any royalties or fees to the Contractor above the agreed hourly rates and related costs.

**2.41 Condition of Trade-In Equipment – N/A****2.42 Conditions of Trade-In Shipment and Purchase Payment – N/A**

**2.43 Verification of Employment Status – N/A**

**2.44 Service Organization Controls – N/A**

**2.45 Warranties of Usage – N/A**

*END OF SECTION*

## SECTION III - TECHNICAL SPECIFICATIONS/SCOPE OF SERVICES

### 01. GENERAL INFORMATION/NATURE OF SERVICES REQUIRED

The City of Fort Lauderdale is requesting proposals from qualified certified public accounting firms, hereinafter referred to as the auditor, to audit the City's financial statements for the five fiscal years ending September 30, 2017 through September 30, 2021 with the option of auditing its financial statements for each of the two (2) subsequent fiscal years. Meeting the requirements of Section 10.02 of the City Charter, these audits are to be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, the rules of the Auditor General of the State of Florida, the Florida Single Audit Act, the standards for financial audits set forth by the U.S. Office of Management and Budget (OMB) revised Circular A-133, Audits of State, Local Governments and Non-Profit Organizations and other authoritative standards.

#### 1.1.1 Scope of Work to be Performed:

The City desires the auditor to express an opinion on the fair presentation of its basic financial statements in conformity with generally accepted accounting principles. The basic financial statements include the governmental activities, the business-type activities, any discretely presented component units, each major fund and the aggregate remaining fund information of the City of Fort Lauderdale.

The auditor is not required to audit the combining financial statements and schedules. However, the auditor is to provide an "in-relation-to" report on the combining financial statements and schedules based on the auditing procedures applied during the audit of the basic financial statements. The auditor is not required to audit the statistical section of the report.

The auditor shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.

**The auditor is not required to audit the schedules of federal and state financial assistance. However, the auditor is to provide "in-relation-to" reports on those schedules based on the auditing procedures applied during the audit of the financial statements.**

The auditor is expected to express an opinion on the fair presentation of its schedule of large user wastewater treatment rate computation in conformity with generally accepted accounting principles.

On an as needed basis, the auditor is expected to perform services related to the City issuance of debt (statement reviews and debt defeasances schedules) and perform review services, as necessary, on supplemental financial statements based upon the Comprehensive Annual Financial Report (CAFR).

It should be understood that the City's management has responsibility for properly recording transactions in the accounting records and maintaining an internal control structure sufficient to permit the preparation of reliable financial statements. It should also be understood that the City's management is responsible for the effectiveness of its internal control structure and for

representations contained in the financial statements and that the auditor will require a written representation letter be furnished to the auditor by members of the City's management near the completion of the audit. The auditor's responsibility is to express an opinion on the financial statements based upon their audits, the responses to their inquiries to the City's management and the written representations of the City's management. Because of the importance of management's representations to an effective audit, City agrees to release auditor and its personnel from any liability and costs relating to services under this RFP attributable to any misrepresentations by City's management.

## 02. AUDITING STANDARDS TO BE FOLLOWED

To meet the requirements of this request for proposals, the audit shall be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, the rules of the Auditor General of the State of Florida, the Florida Single Audit Act, the standards for financial audits set forth by the U.S. OMB revised Circular A-133, Audits of State, Local Governments and Non-Profit Organizations and other authoritative standards.

## 03. REPORTS TO BE ISSUED

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue:

a. For the City:

- 1) A report on fair presentation of the basic financial statements, as a whole, in conformity with generally accepted accounting principles.
- 2) A report on the internal control structure based solely on the auditor's understanding of the control structure made as part of the audit of the financial statements.
- 3) A report on compliance with applicable laws and regulations that may have a material effect on the financial statements.

b. For the City's Federal Awards and State Financial Assistance Programs:

Federal and State single audit reports that comply with OMB Circular A-133 and the Florida Single Audit Act.

c. For the City's large user wastewater agreements:

A report on fair presentation of the schedule of large user wastewater treatment rate computation, in conformity with generally accepted accounting principles.

d. For the Community Redevelopment Agency (CRA):

A report on fair presentation of the basic financial statements, as a whole, in conformity with generally accepted accounting principles.

e. Reporting to the Audit Advisory Board:

The City currently has an Audit Advisory Board composed of members appointed by the City Commission in accordance with City Ordinance #C-03-46. Auditors shall meet with the City's Audit Advisory Board periodically to:

- 1) Review Management Letter Comments
- 2) Review Draft General Distribution CAFR
- 3) Review and advise of independent audit findings
- 4) Review Draft Single Audit Findings
- 5) Discuss the corrective actions needed on (3) and (4) above
- 6) Review Draft of CRA audit report

Auditors shall assure themselves that the City's Audit Advisory Board is informed of each of the following:

- 1) The auditor's responsibility under generally accepted auditing standards
  - 2) Significant accounting policies
  - 3) Management judgments and accounting estimates
  - 4) Significant audit adjustments
  - 5) Other information in documents containing audited financial statements
  - 6) Disagreements with management
  - 7) Management consultation with other accountants
  - 8) Major issues discussed with management prior to retention
  - 9) Difficulties encountered in performing the audit
- f. Provide a separate quote to audit the General Employees' Retirement System financial statements.
- g. Reporting on irregularities and illegal acts.

It is understood that the audits may not reveal all errors, irregularities or illegal acts which may have occurred during the year. Auditors shall be required to make an immediate, written report of all irregularities and illegal acts of which they become aware to the Audit Advisory Board and the City Manager. If the illegal act involves funds from other governmental entities, it is the City Manager's responsibility to inform the other governmental entities of the acts.

h. As needed (for additional fees) – **HOURLY RATES SHALL BE SUBMITTED AS PART OF YOUR RESPONSE.**

- 1) Updates for City bond issues
- 2) Supplemental reports
- 3) Defeasance schedules

i. Past Audit Fees:

	<b>FY2012</b>	<b>FY2013</b>	<b>FY2014</b>	<b>FY2015</b>	<b>FY2016 *</b>
Financial Audit Base Fee	\$ 200,000	\$ 189,999	\$ 200,000	\$ 206,000	\$ 206,000
Large User Report	2,000	2,000	2,000	2,000	2,000
Single Audit Report	44,490	45,000	45,000	46,272	46,800
CRA Report	-	-	3,000	3,000	3,500
GERS Report	-	-	-	6,000	6,000
<b>Total Paid</b>	<b>\$ 246,490</b>	<b>\$ 236,999</b>	<b>\$ 250,000</b>	<b>\$ 263,272</b>	<b>\$ 264,300</b>
*Estimated amount					

04. SPECIAL CONSIDERATIONS

- a. The City will send its CAFR to the Government Finance Officers Association of the United States and Canada (GFOA) for review in its Certificate of Achievement for Excellence in Financial Reporting program. It is anticipated that the auditor will not be required to provide special assistance to the City to meet the requirements of that program, but will schedule the audit timeline to assist the City in meeting the March 31<sup>st</sup> submittal to GFOA deadline.
- b. The City may prepare one or more official statements in connection with the sale of debt securities, which will contain the basic financial statements and the auditor’s report thereon. The auditor shall be required, if requested by the financial advisor and/or the underwriter, to issue a “consent and citation of expertise” as the auditor and any necessary “comfort letters”.
- c. The Department of Housing and Urban Development currently functions as the City’s oversight agency in accordance with the provisions of the revised OMB Circular A-133.
- d. The large user wastewater treatment rate computation and related auditor’s report is not to be included in the CAFR, but is to be issued separately.
- e. The federal and state single audit report is to be included in the CAFR.
- f. The auditor’s response should include a brief explanation of the impact of GASB Statements No. 74, 77, 78, 79, and 80, and their effect on the preparation of the CAFR, including any audit implications.



## 05. WORKING PAPER RETENTION AND ACCESS TO WORKING PAPERS

All working papers and reports must be retained, at the auditor's office where the work will be performed and at the auditor's expense, for a minimum of five (5) years, unless the firm is notified in writing by the City of the need to extend the retention period. The auditor will be required to make working papers available, upon request by the City.

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

## 06. INFORMATION ON THE CITY OF FORT LAUDERDALE FINANCIAL OPERATIONS

### a. Contact Persons

The auditor's principal contact with the City will be the Director of Finance, or a designated representative, who will coordinate the assistance to be provided by the City to the auditor.

### b. Background Information

The City was incorporated in 1911 and covers an area of approximately 36 square miles. An elected five-member commission composed of a Mayor and four District Commissioners governs the City. Services provided to its approximately 175,000 residents include law enforcement, fire control, water and sewer, public works, community enrichment and development and various recreational services.

### c. Fund Structure

A copy of the City's application to the GFOA's Certificate of Achievement for Excellence in Financial Reporting for its Fiscal Year 2015 report is available at: <http://fortlauderdale.gov/departments/finance/financial-reports>.

### d. Budgetary Basis of Accounting

Budgets are prepared on a basis consistent with generally accepted accounting principles with the following exceptions: Advances from other funds are presented as revenues, and encumbrances, advances to other funds and principal on long-term debt of the proprietary funds are presented as expenditures or expenses.

### e. Federal, State and Local Financial Assistance

In Fiscal Year 2015, the City expended nearly \$15.9 million in Federal Awards and \$4.3 million in State financial assistance, the details of which can be found in the CAFR Schedule of Expenditures of Federal Awards and State Financial Assistance, page 159.

### f. Pension Plans

The City provides separate single-employer defined benefit pension plans for its general employees and police and firefighters. The City also provides a defined contribution pension plan for certain general employees not participating in the defined benefit plan.

### g. Joint Ventures

The City participates in a joint venture with the Downtown Development Authority and the Broward County Performing Arts Center Authority more fully described in Note 9, page 55 of the City's CAFR for the year ended September 30, 2015.

- h. Description of the Finance Operations for Fiscal Year 2017 is available in the City of Fort Lauderdale's Operating Budget online at: <http://www.fortlauderdale.gov/departments/city-manager-s-office/budget-cip-and-grants-division/annual-budgets>.
- i. FAMIS is the City's financial system. The City in the process of obtaining an ERP system and has contracted with Infor Lawson. The implementation is expected to take from 24 – 36 months.

## 07. TIME REQUIREMENTS

- a. Commencement of Audit  
The City will have all requested records ready for audit and all management personnel available to meet with the firm's personnel immediately upon appointment.
- b. Schedule for the Fiscal Year 2017 Audit  
Each of the following shall be completed by the auditor no later than the dates indicated.
  - 1) Detailed Audit Plan  
The auditor shall provide the City and the Audit Advisory Board a detailed audit plan by July 27, 2017.
  - 2) Fieldwork
    - Initial fieldwork shall begin as soon as practical, between August and September 2017.
    - Final Fieldwork shall begin between December 2017 and February 2018.
  - 3) Reports  
It is anticipated that the City will deliver its Fiscal Year 2017 audited financial statements (included in the CAFR) to the City Commission in March, 2018.
- c. Entrance Conferences, Progress Reporting and Exit Conferences  
There will be an entrance conference with key Finance Department personnel and possibly the Audit Advisory Board within one week of City Commission appointment of the auditors. Progress conferences will be held with Finance Department personnel as well as the Audit Advisory Board, throughout the engagement with an exit conference at the conclusion of the engagement. There may also be a need for entry and exit interviews with the City Manager and the City Auditor.
- d. Preparing the Report  
The City Finance Department shall prepare draft financial statements, notes and all required supplementary schedules and statistical data. The auditor shall provide all recommendations, revisions and suggestions for improvement to the Director of Finance or the City Controller, and the Audit Advisory Board as soon as possible thereafter.

## 08. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION

- a. Finance Department Accounting and Clerical Assistance  
The Finance Department staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations. In addition, some clerical support will be made available to the auditor for the preparation of routine correspondence. The Finance Department staff will prepare initial confirmations but follow up to non-responsive confirms will be provided by the audit firm. The Finance Department staff will provide all data as requested but the audit form is required to format the data to accommodate their firms required schedules and workpapers.
- b. Information Technology Department (IT)  
Certain IT personnel will be available to assist the auditor in performing the engagements. IT personnel will also be available to provide systems documentation and explanations.
- c. Work Area, Telephones, Photocopying and FAX Machines  
The City will provide the auditor with reasonable workspace with access to telephone, photocopying and FAX machines. The auditor will provide their own laptop computers and necessary peripheral devices.

## 09. REFERENCES

- a. Fiscal Year 2015 CAFR is available online at:  
<http://www.fortlauderdale.gov/departments/finance/financial-reports>
- b. Fiscal year 2017 Operating Budget is available online at:  
<http://www.fortlauderdale.gov/departments/city-manager-s-office/budget-cip-and-grants-division/annual-budgets>

*END OF SECTION*

## SECTION IV – SUBMITTAL REQUIREMENTS

### 4.1 Instructions

- 4.1.1** Although proposals are accepted ‘hard copy’, the City of Fort Lauderdale uses Bidsync ([www.bidsync.com](http://www.bidsync.com)) to administer the competitive solicitation process, including but not limited to soliciting proposals, issuing addenda, responding to questions / requests for information. There is no charge to register and download the RFP from Bidsync. Proposers are strongly encouraged to read the various vendor Guides and Tutorials available in Bidsync well in advance of their intention of submitting a proposal to ensure familiarity with the use of Bidsync. The City shall not be responsible for a Proposer’s inability to submit a proposal by the end date and time for any reason, including issues arising from the use of Bidsync.
- 4.1.2** Careful attention must be given to all requested items contained in this RFP. Proposers are invited to submit proposals in accordance with the requirements of this RFP. Please read entire solicitation before submitting a proposal. Proposers must provide a response to each requirement of the RFP. Proposals should be prepared in a concise manner with an emphasis on completeness and clarity. Notes, exceptions, and comments may be rendered on an attachment, provided the same format of this RFP text is followed.
- 4.1.3** All information submitted by Proposer shall be typewritten or provided as otherwise instructed to in the RFP. Proposers shall use and submit any applicable or required forms provided by the City and attach such to their proposal. Failure to use the forms may cause the proposal to be rejected and deemed non-responsive.
- 4.1.4** Proposals shall be submitted by an authorized representative of the firm. Proposals must be submitted in the business entities name by the President, Partner, Officer or Representative authorized to contractually bind the business entity. Proposals shall include an attachment evidencing that the individual submitting the proposal, does in fact have the required authority stated herein.
- 4.1.5** All proposals will become the property of the City. The Proposer’s response to the RFP is a public record pursuant to Florida law, which is subject to disclosure by the City under the State of Florida Public Records Law, Florida Statutes Chapter 119.07 (“Public Records Law”). The City shall permit public access to all documents, papers, letters or other material submitted in connection with this RFP and the Contract to be executed for this RFP, subject to the provisions of Chapter 119.07 of the Florida Statutes. Any language contained in the Proposer’s response to the RFP purporting to require confidentiality of any portion of the Proposer’s response to the RFP, except to the extent that certain information is in the City’s opinion a Trade Secret pursuant to Florida law, shall be void. If a Proposer submits any documents or other information to the City which the Proposer claims is Trade Secret information and exempt from Florida Statutes Chapter 119.07 (“Public Records Laws”), the Proposer shall clearly designate that it is a Trade Secret and that it is asserting that the document or information is exempt. The Proposer must specifically identify the exemption being claimed under Florida Statutes 119.07. The City shall be the final arbiter of whether any information contained in the Proposer’s response to the RFP constitutes a Trade Secret. The city’s determination of whether an exemption applies shall be final, and the Proposer agrees to defend, indemnify, and hold harmless the city and the city’s officers, employees, and agent, against any loss or damages incurred by any person

or entity as a result of the city's treatment of records as public records. In the event of Contract award, all documentation produced as part of the Contract shall become the exclusive property of the City.

**IF THE CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT. CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT: (954-828-5002, [PRRCONTRACT@FORTLAUDERDALE.GOV](mailto:PRRCONTRACT@FORTLAUDERDALE.GOV), CITY CLERK'S OFFICE, 100 NORTH ANDREWS AVENUE, FORT LAUDERDALE, FLORIDA 33301)**

**4.1.6** One original and five copies plus five electronic (soft) copy of your proposal shall be delivered in a sealed package with the RFP number, due and open date, and RFP title clearly marked on the outside by the due date and time (deadline) to the address specified in Section I, 1.2 – Submission Deadline. It is the sole responsibility of the respondent to ensure their proposal is received on or before the date and time stated, in the specified number of copies and in the format stated herein.

**4.1.7** By submitting a response Proposer is confirming that the firm has not been placed on the convicted vendors list as described in Section §287.133 (2) (a) Florida Statutes; that the only person(s), company or parties interested in the proposal as principals are named therein; that the proposal is made without collusion with any other person(s), company or parties submitting a proposal; that it is in all respects fair and in good faith, without collusion or fraud; and that the signer of the proposal has full authority to bind the firm.

## **4.2 Contents of the Proposal**

The City deems certain documentation and information important in the determination of responsiveness and for the purpose of evaluating proposals. Proposals should seek to avoid information in excess of that requested, must be concise, and must specifically address the issues of this RFP. The City prefers that proposals be no more than 50 pages double-sided, be bound in a soft cover binder, and utilize recyclable materials as much as practical. Elaborate binders are neither necessary nor desired. Please place the labeled DVD/CD in a paper sleeve. The proposals shall be organized and divided into the sections indicated herein. These are not inclusive of all the information that may be necessary to properly evaluate the proposal and meet the requirements of the scope of work and/or specifications. Additional documents and information should be provided as deemed appropriate by the respondent in proposal to specific requirements stated herein or through the RFP.

### **4.2.1 Table of Contents**

The table of contents should outline in sequential order the major areas of the submittal, including enclosures. All pages should be consecutively numbered and correspond to the Table of Contents.

### **4.2.2 Executive Summary**

Each Offeror must submit an executive summary that identifies the business entity, its background, main office(s), and office location that will service this contract. Identify the officers, principals, supervisory staff and key individuals who will be directly involved with the work and their office locations. The executive summary should also summarize the key elements of the proposal.

#### 4.2.3 Experience and Qualifications

Indicate the firm's number of years of experience in providing the professional services as it relates the work contemplated. Provide details of past projects for agencies of similar size and scope, including information on your firm's ability to meet time and budget requirements. Indicate the firm's initiatives towards its own sustainable business practices that demonstrate a commitment to conservation. Indicate business structure, IE: Corp., Partnership, LLC. Firm should be registered as a legal entity in the State of Florida; Minority or Woman owned Business (if applicable); Company address, phone number, fax number, E-Mail address, web site, contact person(s), etc. Relative size of the firm, including management, technical and support staff; licenses and any other pertinent information shall be submitted.

#### 4.2.4 Approach to Scope of Work

Provide in concise narrative form, your understanding of the City's needs, goals and objectives as they relate to the project, and your overall approach to accomplishing the project. Give an overview on your proposed vision, ideas and methodology. Describe your proposed approach to the project. As part of the project approach, the proposer shall propose a scheduling methodology (time line) for effectively managing and executing the work in the optimum time. Also provide information on your firm's current workload and how this project will fit into your workload. Describe available facilities, technological capabilities and other available resources you offer for the project.

#### 4.2.5 References

Provide at least three references, preferably government agencies, for projects with similar scope as listed in this RFP. Information should include:

- Client Name, address, contact person telephone and E-mail addresses.
- Description of work.
- Year the project was completed.
- Total cost of the project, estimated and actual.

**Note:** Do not include City of Fort Lauderdale work or staff as references to demonstrate your capabilities. The Committee is interested in work experience and references other than the City of Fort Lauderdale.

#### 4.2.6 Minority/Women (M/WBE) Participation

If your firm is a certified minority business enterprise as defined by the Florida Small and Minority Business Assistance Act of 1985, provide copies of your certification(s). If your firm is not a certified M/WBE, describe your company's previous efforts, as well as planned efforts in meeting M/WBE procurement goals under Florida Statutes 287.09451.

#### 4.2.7 Subcontractors

Proposer must clearly identify any subcontractors that may be utilized during the term of this contract.

#### 4.2.8 Required Forms

**a. Proposal Certification**

Complete and attach the Proposal Certification provided herein.

**b. Cost Proposal**

Provide firm, fixed, costs for all services/products using the form provided in this request for proposal. These firm fixed costs for the project include any costs for travel and miscellaneous expenses. No other costs will be accepted.

**c. Non-Collusion Statement**

This form is to be completed, if applicable, and inserted in this section.

**d. Local Business Preference (LBP)**

This form is to be completed, if applicable, and inserted in this section

**e. Contract Payment Method**

This form must be completed and returned with your proposal. Proposers must presently have the ability to accept these credit cards or take whatever steps necessary to implement acceptance of a card before the start of the contract term, or contract award by the City.

**f. Sample Insurance Certificate**

Demonstrate your firm's ability to comply with insurance requirements. Provide a previous certificate or other evidence listing the Insurance Companies names for the required coverage and limits.

**g. Business License**

Evidence that your firm and/or persons performing the work are licensed to do business in the State of Florida

*END OF SECTION*

**SECTION V – EVALUATION AND AWARD**

**5.1 Evaluation Procedure**

**5.1.1 Bid Tabulations/Intent to Award**

Notice of Intent to Award Contract/Bid, resulting from the City’s Formal solicitation process, requiring City Commission action, may be found at <http://www.fortlauderdale.gov/departments/finance/procurement-services/notices-of-intent-to-award>. Tabulations of receipt of those parties responding to a formal solicitation may be found at <http://www.fortlauderdale.gov/departments/finance/procurement-services/bid-results>, or any interested party may call the Procurement Office at 954-828-5933.

**5.1.2** Evaluation of proposals will be conducted by an Evaluation Committee, consisting of a minimum of three members of City Staff, or other persons selected by the City Manager or designee. All committee members must be present at scheduled evaluation meetings. Proposals shall be evaluated based upon the information and references contained in the responses as submitted.

**5.1.3** The Committee may short list no less than three Proposals, assuming that three proposals have been received, that it deems best satisfy the weighted criteria set forth herein. The committee may then conduct interviews and/or require oral presentations from the short listed Proposers. The Evaluation Committee shall then re-score and re-rank the short listed firms in accordance with the weighted criteria.

**5.1.4** The City may require visits to the Proposer's facilities to inspect record keeping procedures, staff, facilities and equipment as part of the evaluation process.

**5.1.5** The final ranking and the Evaluation Committee’s recommendation may then be reported to the City Manager for consideration of contract award.

**5.2 Evaluation Criteria**

**5.2.1** The City uses a mathematical formula to determine the scoring for each individual responsive and responsible firm based on the weighted criteria stated herein. Each evaluation committee member will rank each firm by criteria, giving their first ranked firm a number 1, the second ranked firm a number 2, and so on. The City shall multiply that average ranking by the weighted criterion identified herein to determine the total the points for each proposer. The lowest average final ranking score will determine the recommendation by the evaluation committee to the City Manager.

**5.2.2 Weighted Criteria**

<b>ABILITY TO MEET OBJECTIVES</b>	
Adequacy of Proposed Staffing Plan	15%
Firm’s Resources and Proposed Staff Experience	10%
Local Government Auditing Experience	15%
References, Past performance	15%
Firm’s Ability to Meet Report Publication Date	15%



Cost to the City	30%
TOTAL PERCENT AVAILABLE:	100%

**5.3 Contract Award**

The City reserves the right to award a contract to that Consultant who will best serve the interest of the City. The City reserves the right, based upon its deliberations and in its opinion, to accept or reject any or all proposals. The City also reserves the right to waive minor irregularities or variations of the submittal requirements and RFP process.

*END OF SECTION*

**SECTION VI - COST PROPOSAL PAGE**

**Proposer Name:** \_\_\_\_\_

Proposer agrees to supply the products and services at the prices bid below in accordance with the terms, conditions and specifications contained in this RFP.

Cost to the City: Contractor must quote firm, fixed, costs for all services/products identified in this request for proposal. These firm fixed costs for the project include any costs for travel and miscellaneous expenses. No other costs will be accepted.

**Notes:**

Attach a breakdown of costs including but not limited to labor, equipment, materials and parts.

1. General Financial Audit (Annual) \$ \_\_\_\_\_

2. Federal Award or State Financial Assistance Program (price per program)  
\$ \_\_\_\_\_

**3. Additional Services**

Please describe the Proposer’s basis for quoting fees for additional auditing services to be performed on an “as needed” basis such as for statement reviews, defeasance schedules for city issuance of debt, review of supplemental financial statements, etc. (Provide any rate schedules if applicable).

**HOURLY RATES SHALL BE SUBMITTED AS PART OF YOUR RESPONSE.**

\$ \_\_\_\_\_

**Total Project Cost** \$ \_\_\_\_\_

**Submitted by:**

\_\_\_\_\_  
Name (printed)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

CITY OF FORT LAUDERDALE  
GENERAL EMPLOYEES' RETIREMENT SYSTEM  
A PENSION TRUST FUND OF THE CITY OF FORT LAUDERDALE, FLORIDA  
FINANCIAL STATEMENTS  
For the fiscal year ended September 30, 2015

CITY OF FORT LAUDERDALE  
GENERAL EMPLOYEES' RETIREMENT SYSTEM

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Crowe Horwath LLP  
Independent Member Crowe Horwath International

## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees and Plan Administrator  
City of Fort Lauderdale General Employees' Retirement System  
Fort Lauderdale, FL

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the City of Fort Lauderdale General Employees' Retirement System (the Plan), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Plan, as of September 30, 2015, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters***Report on Comparative Information*

As discussed in Note 1, the balances shown for the fiscal year ended September 30, 2014 in the accompanying financial statements are included to provide a basis for comparison with 2015 only. The comparative information was derived from the financial statements of the Plan for the fiscal year ended September 30, 2014, which were audited by other auditors whose report dated February 25, 2015, expressed an unmodified opinion on those financial statements. The predecessor auditor opinion included an emphasis of matter paragraph with regard to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans, An Amendment to GASB Statement No. 25*.

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in the employer net pension liability and related ratios, schedule of employer contributions, and schedule of investment returns on pages 3 to 7 and 19 to 22, respectively be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated March 3, 2016 on our consideration of the Plan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Plan's internal control over financial reporting and compliance.

Crowe Horwath LLP

Fort Lauderdale, Florida  
March 3, 2016

## **MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED**

Management's discussion and analysis of the City of Fort Lauderdale General Employees' Retirement System (GERS or the Plan) financial performance provides an overview of the Plan's financial activities for the years ended September 30, 2015 and 2014. Please read it in conjunction with the financial statements, notes to the financial statements and required supplementary information which follow this discussion.

### **FINANCIAL HIGHLIGHTS**

- Plan assets exceeded its liabilities at the close of the years ended September 30, 2015 and 2014 by approximately \$551.7 million and \$593.0 million, respectively (reported as net position restricted for pension benefits). Net position restricted for pension benefits is held in trust to meet future benefit payments.
- Total return on investment for the Plan was (4.59%) and 11.0% for the years ended September 30, 2015 and 2014, respectively.
- The Plan's funding objective is to meet long-term benefit obligations through contributions and investment income. As of September 30, 2014 and 2013, (dates of the latest actuarial valuations), the funded ratio was approximately 93.3% and 90.8%, respectively.
- Additions to Plan net position for the years ended September 30, 2015 and 2014 were approximately (\$3.9) million and \$77.9 million, respectively, and are comprised of contributions of \$18.7 million and \$18.3 million, respectively, with net investment income (loss) of (\$22.6) million and \$59.6 million, respectively.
- Deductions to Plan net position for the years ended September 30, 2015 and 2014 were approximately \$37.5 million and \$36.7 million, respectively, and are comprised primarily of benefit payments of approximately \$37.0 million and \$36.1 million, respectively.

### **OVERVIEW OF THE FINANCIAL**

The Plan was established to administer a defined benefit pension plan for all permanent City of Fort Lauderdale, Florida (the City) employees except for firefighters and police officers. The Plan's financial statements are comprised of a Statement of Fiduciary Net Position, a Statement of Changes in Fiduciary Net Position, and Notes to Financial Statements. Also included is certain required supplementary information. These financial statements report information about the Plan as a whole and about its financial condition that should help answer the question: Is the Plan, as a whole, better off or worse off as a result of this year's activities? These statements include all assets and liabilities using the economic resource's measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, all revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Fiduciary Net Position presents information on the assets and liabilities and the resulting net position restricted for pension benefits. This statement reflects the Plan's investments, at fair value, along with cash, receivables and other assets and liabilities.

The Statement of Changes in Fiduciary Net Position presents information showing how the Plan's net position restricted for pension benefits changed during the fiscal year. It reflects contributions by employees and the employer (City), along with deductions for retirement benefits, refunds, and administrative expenses.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

**OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

The required supplementary information presents a Schedule of Changes in The Employer Net Pension Liability and Related Ratios, a Schedule of Employer Contributions, and a Schedule of Investment Returns of the plan along with a discussion of changes in actuarial assumptions and methods.

**SUMMARY OF FIDUCIARY NET POSITION**

The following condensed comparative Summary of Fiduciary Net Position demonstrates the investment position of the Plan at September 30:

	<u>2015</u>	<u>2014</u>
Cash	\$ 276,173	\$ 42,369
Investments, at fair value	554,751,318	595,620,705
Receivables	3,531,466	6,547,618
Deposits	2,401	2,400
Capital Assets	<u>6,738</u>	<u>10,178</u>
Total Assets	558,568,096	602,223,270
Liabilities	<u>6,873,961</u>	<u>9,176,080</u>
Net Position Restricted for Pension	<u>\$ 551,694,135</u>	<u>\$ 593,047,190</u>

The Plan's total assets as of September 30, 2015 and 2014 were approximately \$558.6 million and \$602.2 million, respectively, and were mostly comprised of cash and short-term investments, equity and fixed income investments, and receivables related to investments. For the year ended September 30, 2015, total assets decreased approximately \$43.7 million or 8.1% from the prior year primarily due to investment earnings.

Total liabilities as of September 30, 2015 and 2014 were approximately \$6.9 million and \$9.2 million, respectively, and were mostly comprised of accruals for pending trades and accruals for expenses made by the City of Fort Lauderdale on behalf of the Plan. Total liabilities at September 30, 2015 decreased by approximately \$2.3 million or 77.4% from 2014 mostly due to an increase in pending trades as of year-end.

Plan assets exceeded its liabilities at the close of the years ended September 30, 2015 and 2014, by approximately \$551.7 million and \$593.0 million, respectively. For the year ended September 30, 2015, net position restricted for pension benefits decreased approximately \$41.4 million or 7.0% from the prior year primarily due to investment earnings.



**SUMMARY OF CHANGES IN FIDUCIARY NET POSITION**

The Summary of Changes in Fiduciary Net Position, displays the effect of pension fund transactions that occurred during the fiscal year, where Additions - Deductions = Net Increase (or decrease) in Net Position. The table below reflects a condensed comparative summary of the changes in net position and reflects the activity of the Plan and for the years ended September 30:

	<u>2015</u>	<u>2014</u>
Additions		
Contributions		
City	\$ 15,501,180	\$ 15,061,353
Employees	<u>3,200,689</u>	<u>3,264,583</u>
Total	18,701,869	18,325,936
Net Investment Income (Loss)	<u>(22,561,456)</u>	<u>59,588,725</u>
Total Additions	<u>(3,859,587)</u>	<u>77,914,661</u>
Deductions		
Benefits paid	36,967,771	36,087,008
Refunds of contributions	127,423	153,598
Administrative expenses	<u>398,274</u>	<u>469,862</u>
Total Deductions	<u>37,493,468</u>	<u>36,710,468</u>
Net Increase (Decrease)	(41,353,055)	41,204,193
Net Position Restricted for Pension		
Benefits - Beginning of Year	<u>593,047,190</u>	<u>551,842,997</u>
Net Position Restricted for Pension		
Benefits- End of Year	<u>\$ 551,694,135</u>	<u>\$ 593,047,190</u>

**REVENUES – ADDITIONS TO PLAN NET POSITION**

The following condensed comparative summary demonstrates the additions to the Plan and percentage change for the years ended September 30 (In Thousands):

	<u>2015</u>	<u>2014</u>	<u>Increase (Decrease)</u>	<u>Total Percentage Change</u>
City Contributions	\$ 15,501	\$ 15,061	\$ 440	2.9%
Employee Contributions	3,201	3,265	(64)	(2.0%)
Net Investment Income (Loss)	<u>(22,561)</u>	<u>59,589</u>	<u>(82,150)</u>	(137.9%)
<b>Total Additions</b>	<u>\$ (3,859)</u>	<u>\$ 77,915</u>	<u>\$ (81,774)</u>	(105.0%)

**REVENUES – ADDITIONS TO PLAN NET POSITION (Continued)**

The reserves needed to finance retirement benefits are accumulated through the collection of contributions from the employees, the City, and the County and through earnings on investments. Contributions and net investment (loss) income, for years ended September 30, 2015 and 2014 totaled approximately (\$3.9) million and \$77.9 million, respectively. Total contributions and net investment income (loss) for the year ended September 30, 2015 decreased from 2014 by approximately \$81.8 million or 105%. The decrease is primarily due to the significant decline in market conditions.

Net investment income for the year ended September 30, 2015 decreased from 2014 by approximately \$82.2 million due to a decline in market conditions.

Total City contributions for the year ended September 30, 2015 decreased from 2014 by approximately \$440,000 or 2.9% due to the state mandated mortality assumption change.

**EXPENSES - DEDUCTIONS FROM PLAN NET POSITION**

The table below reflects a condensed comparative summary of the deductions of the Plan and percentage change for the years ended September 30 (In Thousands):

	<u>2015</u>	<u>2014</u>	<u>Increase Decrease</u>	<u>Total Percentage Change</u>
Pension Benefits Paid	\$ 36,968	\$ 36,087	\$ 881	2.4%
Refund of Contributions	127	154	(27)	(17.5%)
Administrative Expenses	<u>398</u>	<u>470</u>	<u>(72)</u>	(15.3%)
<b>Total Additions</b>	<b><u>\$ 37,493</u></b>	<b><u>\$ 36,711</u></b>	<b><u>\$ 782</u></b>	2.1%

The primary deductions of the Plan include the payment of pension benefits to retirees and beneficiaries, refund of contributions to former members, and administrative expenses. Total deductions for the years ended September 30, 2015 and 2014 were approximately \$37.5 million and \$36.7 million, respectively. Total deductions for the year ended September 30, 2015 was an increase of approximately 2.1% from 2014.

The pension benefits paid to retirees and beneficiaries increased for the year ended September 30, 2015 from 2014 by approximately \$36,968 or approximately 2.4% due to an increase in number of retirees.

**RETIREMENT SYSTEM AS A WHOLE**

With the exception of the fiscal year ended 2008, 2011, and 2015 the Plan's net position has experienced increases over the last 10 years. Management believes, and actuarial studies concur, that the Plan is in a financial position to meet its obligations. We believe the current financial position will continue to improve due to a prudent investment program, cost controls, strategic planning, and the City's continued funding of the required contributions at 100%.

**CONTACTING THE PLAN'S FINANCIAL MANAGEMENT**

This financial report is designed to provide the Board of Pension Trustees, our members, taxpayers, investors, and creditors with a general overview of the Plan's finances and to demonstrate the Plan's accountability for the funds invested in the GERS. If you have any questions about this report or need additional financial information, contact the Plan Administrator, City of Fort Lauderdale General Employees' Retirement System, 316 NE Fourth Street, Suite 2, Fort Lauderdale, FL 33301.

**CITY OF FORT LAUDERDALE  
GENERAL EMPLOYEES' RETIREMENT SYSTEM**

**STATEMENT OF FIDUCIARY NET POSITION**

**SEPTEMBER 30, 2015  
(WITH COMPARATIVE TOTALS AS OF SEPTEMBER 30, 2014)**

	<u>2015</u>	<u>2014</u>
Assets		
Cash	\$ 276,173	\$ 42,369
Investments, at Fair Value		
U.S. Treasury securities	42,916,477	31,176,194
U.S. Government agency obligations	19,285,596	26,664,837
Corporate bonds	4,495,031	6,060,494
Money market funds	10,706,623	10,636,632
Mutual funds and other	91,210,733	97,796,295
Commingled trust fund	83,304,743	51,473,060
Common and preferred stock	262,274,555	346,830,603
Real estate	<u>40,557,560</u>	<u>24,982,590</u>
Total Investments	<u>554,751,318</u>	<u>595,620,705</u>
Receivables		
Unsettled trades	2,913,197	5,871,437
Accrued dividends and interest	<u>618,269</u>	<u>676,181</u>
Total Receivables	3,531,466	6,547,618
Capital Assets (Net of Accumulated Depreciation)	6,738	10,178
Deposits	<u>2,401</u>	<u>2,400</u>
Total Assets	<u>558,568,096</u>	<u>602,223,270</u>
Liabilities		
Unsettled trades	2,997,808	5,332,164
Accounts payable and accrued liabilities	720,080	703,360
Due to the City of Fort Lauderdale	3,138,671	3,123,154
Deposits	<u>17,402</u>	<u>17,402</u>
Total Liabilities	<u>6,873,961</u>	<u>9,176,080</u>
Net Position Restricted for Pension Benefits	<u>\$ 551,694,135</u>	<u>\$ 593,047,190</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF FORT LAUDERDALE**  
**GENERAL EMPLOYEES' RETIREMENT SYSTEM**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**  
**(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014)**

	<u>2015</u>	<u>2014</u>
Additions		
Contributions		
Employer	\$ 15,501,180	\$ 15,061,353
Plan members	<u>3,200,689</u>	<u>3,264,583</u>
Total Contributions	<u>18,701,869</u>	<u>18,325,936</u>
Investment Income		
Net appreciation (depreciation)	(31,907,879)	51,410,863
Interest	3,282,860	5,683,580
Dividends	7,664,510	5,595,636
Real estate income	1,692,378	544,078
Other income	<u>22,217</u>	<u>19,045</u>
	(19,245,914)	63,253,202
Less: investment expenses	<u>3,315,542</u>	<u>3,664,477</u>
Net Investment Income	<u>(22,561,456)</u>	<u>59,588,725</u>
Total Additions	<u>(3,859,587)</u>	<u>77,914,661</u>
Deductions		
Benefits Paid		
Retirement	33,826,256	33,110,149
Disability	457,764	403,520
Death	<u>2,683,751</u>	<u>2,573,339</u>
Total Benefits Paid	36,967,771	36,087,008
Refund of Contributions	127,423	153,598
Administrative Expenses	<u>398,274</u>	<u>469,862</u>
Total Deductions	<u>37,493,468</u>	<u>36,710,468</u>
Net Increase (Decrease) in Net Position	(41,353,055)	41,204,193
Net Position Restricted for Pension Benefits		
Beginning	<u>593,047,190</u>	<u>551,842,997</u>
Ending	<u>\$ 551,694,135</u>	<u>\$ 593,047,190</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF FORT LAUDERDALE  
GENERAL EMPLOYEES' RETIREMENT SYSTEM**

**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015  
(WITH PARTIAL COMPARATIVE INFORMATION FOR SEPTEMBER 30, 2014)**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

General – These financial statement represent only the City of Fort Lauderdale (the City) General Employees' Retirement System (the Plan). The following brief description of the Plan is provided for general information purposes only. Participants should refer to the Plan agreement for more complete information.

Basis of Accounting - The accompanying financial statements of the City of Fort Lauderdale General Employees' Retirement System (the Plan) are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Interest and dividends are recorded as earned.

Valuation of Investments and Realized Gains and Losses - Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Short-term investments which consist of money market funds are reported at cost, which is fair value. Securities traded on national or international exchanges are valued at the last reported sales price or current exchange rates. Investments that do not have an established market are reported at estimated fair value. Net appreciation or depreciation in fair value of investments includes realized and unrealized gains and losses. Realized gains and losses are determined on the basis of specific cost. The fair value of real estate investments have been estimated based upon latest appraisal information. Commingled funds that do not have an established market are reported at the net asset value of shares owned at the end of the period. Purchases and sales of securities are recorded on the trade-date basis. Dividends are recorded on the ex-dividend date.

Within certain limitations as specified in the Plan, the investment policy is determined by the Board of Trustees and is implemented by the Plan's investment managers. The investment managers are monitored by a financial consultant.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Comparative Information And Reclassification - The balances shown for the fiscal year ended September 30, 2014 in the accompanying financial statements and notes to financial statements are included to provide a basis for comparison with 2015 only. Accordingly, the 2014 financial statements and notes to financial statements are not intended to present all information necessary for a fair presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Plan's financial statements and notes to financial statements for the fiscal year ended September 30, 2014, from which the information was derived.

**CITY OF FORT LAUDERDALE  
GENERAL EMPLOYEES' RETIREMENT SYSTEM**

**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015  
(WITH PARTIAL COMPARATIVE INFORMATION FOR SEPTEMBER 30, 2014)**

NOTE 2 – PLAN DESCRIPTION AND CONTRIBUTION INFORMATION

The following brief description of the Plan is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

Plan Description

The General Employees' Retirement System is a single-employer defined benefit plan administered by a seven-member Board of Trustees plus a non-voting Ex-Officio Member, which covers a majority of City of Fort Lauderdale (the City) general employees hired prior to October 1, 2007 except police and firefighters. On March 4, 2008, the City passed Ordinance No. C-08-06 effectively closing the Plan to new entrants. The latest actuarial valuation prior to September 30, 2015 is dated September 30, 2014.

Membership in the Plan as of September 30, 2014, the date of the latest actuarial valuation, consists of the following:

Inactive plan members or beneficiaries currently receiving benefits	1,351
Inactive plan members entitled to but not yet receiving benefits	115
Active plan members	<u>874</u>
Total	<u>2,340</u>

Pension Benefits

Under the vesting provisions of the Plan, most Plan members are entitled to 100% of normal retirement benefits after 5 years of service beginning at age 55 or after 30 years of service, whichever occurs first. Certain Plan members hired on or after October 1, 1983 electing reduced benefits are entitled to 100% of normal retirement benefits after 10 years of service beginning at age 65. Members who terminate prior to vesting are entitled to a refund of their contributions plus interest at 3% per year.

Members who continue in employment past normal retirement may either accrue larger pensions or freeze their accrued benefit and enter the Deferred Retirement Option Program (DROP), see Note 4. Each participant in the DROP has an account credited with benefits not received and investment earnings. Participation in the DROP must end no later than 36 months after normal retirement. These benefit provisions and all other requirements are established by City ordinance.

Contributions and Funding Policy

Plan members contribute 6% of their earnings to the Plan or, based on their date of hire, 4% if the employee elected to remain in a lower tier classification. The City is required to contribute the remaining amounts necessary to fund the Plan, based on an amount determined by the Plan's actuary as of September 30 each year. Employer contribution requirements for the fiscal year ended September 30, 2015 were based on the September 30, 2013 actuarial valuation. For the years ended September 30, 2015 and 2014, the City's contribution rate as a percentage of annual covered payroll was 29.15% and 27.49%, respectively.

The Plan's funding policy provides for actuarially determined periodic employer contributions sufficient to pay the benefits provided by the Plan when they become due. The actuarial cost method used for determining the contribution requirements for the Plan is the Entry Age Method.

**CITY OF FORT LAUDERDALE  
GENERAL EMPLOYEES' RETIREMENT SYSTEM**

**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015  
(WITH PARTIAL COMPARATIVE INFORMATION FOR SEPTEMBER 30, 2014)**

**NOTE 3 - INVESTMENTS**

Investments permitted by the Plan's investment policy include Florida PRIME, U.S. Treasury securities, U.S. Government agency obligations, common and preferred stocks from domestic and foreign corporations, commingled trust funds, repurchase agreements, commercial paper, corporate bonds, banker's acceptances, state or local government taxable or tax exempt debt, real estate and real estate securities, money market funds invested in permitted securities and intergovernmental investment pools.

As of September 30, 2015, this portfolio consists of investments in U.S. Government agency obligations, money market funds, mutual funds, commingled trust funds, corporate bonds, common and preferred stock and real estate.

**Rate of Return**

For the year ended September 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (4.59%). The money-weighted rate of return expresses investment performance, net of investment manager and consultant expenses adjusted for the changing amounts actually invested. Inputs to the internal rate of return calculation are determined on a monthly basis.

**Interest Rate Risk**

As of September 30, 2015, the Plan had the following fixed income securities and maturities in its portfolio:

<u>Investment</u>	<u>Fair Value</u>	<u>Investment Maturities (In Years)</u>			
		<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More Than 10</u>
U.S. Treasury securities	\$ 42,916,477	\$ -	-	\$ 42,916,477	\$ -
U.S. Government agency obligations	19,285,596	-	2,320,483	13,426,538	3,538,575
Corporate bonds	4,495,031	-	-	4,495,031	-
<b>Total</b>	<b>\$ 66,697,104</b>	<b>\$ -</b>	<b>2,320,483</b>	<b>\$ 60,838,046</b>	<b>\$ 3,538,575</b>

Interest rate risk refers to the portfolio's exposure to fair value losses arising from increasing interest rates. As a means of limiting its exposure to fair value losses, the investment policy looks to control impacts from interest rate risk in both rising and declining interest rate environments considering such factors as credit quality and duration for losses in rising rate environments, and credit quality in declining rate environments. The benchmarks are monitored and changed when warranted by investment market environment. Debt portfolios are structured and managed to produce returns based on risks inherent in the selected benchmarks.

**Credit Risk**

State law and the Plan's investment policy limits investments in bonds, stocks, or other evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States, any state or organized territory of the United States, or the District of Columbia, provided the corporation is listed on any one or more of the recognized national stock exchanges and in the case of bonds only, holds a rating in one of the three highest classifications by a major rating service. The Plan's investment policy requires investments in corporate bonds or notes, general obligation and/or revenue bonds of state or local governments to be rated "A" or better by a nationally recognized rating service. All of these investments met this requirement.



**CITY OF FORT LAUDERDALE  
GENERAL EMPLOYEES' RETIREMENT SYSTEM**

**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015  
(WITH PARTIAL COMPARATIVE INFORMATION FOR SEPTEMBER 30, 2014)**

NOTE 3 – INVESTMENTS (Continued)

The following table discloses credit ratings by investment type, at September 30, as applicable:

	2015		2014	
	Fair Value	Percent of Portfolio	Fair Value	Percent of Portfolio
U.S. Government Guaranteed*	\$ 62,202,073	93.26%	\$ 57,841,031	90.52%
Quality rating of credit risk debt securities by Moody's:				
Aa1	530,888	0.80%	646,362	0.97%
Aa2	734,033	1.10%	0	0.00%
Aa3	535,839	0.80%	653,101	0.98%
A1	551,147	0.83%	539,720	0.81%
A3	2,143,124	3.21%	3,066,316	4.60%
Baa1	-	0.00%	1,154,995	1.73%
Total credit risk debt securities	4,495,031	6.74%	6,060,494	9.09%
Total fixed income securities	<u>\$ 66,697,104</u>	<u>100.00%</u>	<u>\$ 63,901,525</u>	<u>100.00%</u>

\*Obligations of the U.S. government or obligations explicitly or implicitly guaranteed by the U.S. Government are not considered to have credit risk and do not have purchase limitations.

Concentration of Credit Risk

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of an investment in a single issuer. Investments in any one issuer that represent 5% or more of total net position or total investments require disclosure, excluding investments issued or explicitly guaranteed by the U.S. Government and investments in mutual funds. The Plan utilizes limitations on securities of a single issuer to manage this risk.

As of September 30, 2015, none of the Plan's investments were held with any single issuer that represents 5% or more of the Plan's net position or total investments.

**CITY OF FORT LAUDERDALE  
GENERAL EMPLOYEES' RETIREMENT SYSTEM**

**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015  
(WITH PARTIAL COMPARATIVE INFORMATION FOR SEPTEMBER 30, 2014)**

NOTE 3 – INVESTMENTS (Continued)

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The Plan has no exposure to foreign currency risk as all investments are denominated in US dollars as of September 30, 2015.

Real Estate Investments

The Plan purchased three properties located at 316 N.E. 4th Street (purchased in 2006 for approximately \$3.0 million), 4800 North Federal Highway (purchased in 2007 for approximately \$3.8 million) and 300 N.E. 3rd Avenue (purchased in December 2011 for approximately \$3.9 million), all within the City. The property located at 300 N.E. 3rd Avenue included a vacant building that the due diligence review revealed would not be worthwhile to rehabilitate. The property was purchased with the intent of demolishing the building and aggregating this property with the contiguous property at 316 N.E. 4th Street for long-term appreciation and future development. The Plan has entered into leasing agreements with various tenants at both the 316 N.E. 4th Street and the 4800 North Federal Highway building.

The real estate investments are recorded at fair value on a recurring basis. The fair value of the real estate investments is the amount that the plan could reasonably expect to receive for it in a current sale between a willing buyer and a willing seller.

On October 13, 2015, the Plan finalized the sale of two properties located at 316 N.E. 4th Street (purchased in 2006 for approximately \$3.0 million) and 300 N.E. 3rd Avenue (purchased in December 2011 for approximately \$3.9 million) for approximately \$8.5 million.

Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the Statement of Fiduciary Net Position. The Plan, through its investment advisor, monitors the Plan's investment and the risks associated therewith on a regular basis, which the Plan believes minimizes these risks.

**CITY OF FORT LAUDERDALE  
GENERAL EMPLOYEES' RETIREMENT SYSTEM**

**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015  
(WITH PARTIAL COMPARATIVE INFORMATION FOR SEPTEMBER 30, 2014)**

**NOTE 4 – DEFERRED RETIREMENT OPTION PROGRAM**

The Plan offers a Deferred Retirement Option Program (DROP) for all eligible participants. Eligible members may apply to participate by applying to the Board of Trustees.

Upon a member's election to participate in the DROP, that member shall cease to be a member of the Plan and shall be precluded from any additional benefits under the Plan; accordingly, that member shall be considered retired. Monthly retirement benefits that would have been payable had the member retired and elected to receive monthly pension payments will be paid into the DROP and credited to the retired member. Payments into the DROP are made monthly for the period the retired member participates in the DROP, up to a maximum of 36 months. Payments into the DROP will earn interest at the Plan's actuarial rate of return (currently 7.55%). Upon termination of employment, participants in the DROP will receive the balance of their account either in a lump-sum distribution or may be rolled over to a qualified retirement plan that accepts rollovers.

As of September 30, 2015 and 2014, there were 16 members enrolled under DROP, and the balance in the DROP account was \$1,401,739 and \$1,538,074, respectively. These amounts are included in the total investment balance presented on the Statement of Fiduciary Net Position.

**NOTE 5 – ADMINISTRATIVE EXPENSES**

The City provides the Plan with certain services without receiving compensation. Administrative costs paid or incurred by the Plan consisted of the following for the year ended September 30:

	2015	2014
Professional services	\$ 98,058	\$ 91,221
Salaries and wages	172,942	168,386
Meetings/conferences/dues	30,514	36,748
Fringe benefits	30,840	32,896
Depreciation	3,440	3,440
Leases and rentals	2,988	2,630
Supplies	4,416	2,257
Intragovernmental service charges	30,185	122,704
Repairs and Maintenance	835	-
Accounting and Auditing	20,394	-
Other expenses	<u>3,662</u>	<u>9,580</u>
Total Administrative Expenses	<u>\$ 398,274</u>	<u>\$ 469,862</u>

**CITY OF FORT LAUDERDALE  
GENERAL EMPLOYEES' RETIREMENT SYSTEM**

**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015  
(WITH PARTIAL COMPARATIVE INFORMATION FOR SEPTEMBER 30, 2014)**

**NOTE 6 – NET PENSION LIABILITY**

The components of the net pension liability at September 30, 2015:

Total pension liability	\$ 609,531,091
Plan fiduciary net position	<u>551,694,135</u>
Net pension liability	<u>\$ 57,836,956</u>

Plan fiduciary net position as a percent of the total pension liability	90.51%
---	--------

**Significant Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of September 30, 2014 updated to September 30, 2015 using the following actuarial assumptions applied to all measurement periods:

Inflation	3.25%
Salary increases	4.00% to 9.50% depending on age, including inflation
Investment rate of return	7.55%
Mortality	RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvements projected to all future years after 2000 using Scale AA

The actuarial assumptions used in the September 30, 2015 valuation were based on the results of an actuarial experience study dated November 1, 2012 for the period from October 1, 2001 to September 30, 2011.

**CITY OF FORT LAUDERDALE  
GENERAL EMPLOYEES' RETIREMENT SYSTEM**

**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015  
(WITH PARTIAL COMPARATIVE INFORMATION FOR SEPTEMBER 30, 2014)**

NOTE 6 – NET PENSION LIABILITY (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2015 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap Equity	40.0%	6.6%
Smid Cap Equity	5.0%	8.3%
Small Cap Equity	5.0%	5.6%
International Equity	15.0%	3.4%
Emerging Markets Equity	12.0%	6.5%
Real Estate	2.5%	7.1%
Timber	2.5%	5.0%
Fixed Income	15.0%	2.7%
Cash	<u>3.0%</u>	<u>-0.6%</u>
Total	<u>100%</u>	<u>5.3%</u>

Discount Rate

The discount rate used to measure the total pension liability was 7.55%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The investment return assumption change from 7.65% to 7.55% is reflected in the 2015 Statement of Changes in Net Pension Liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability, calculated using the discount rate of 7.55%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.55%) or 1-percentage-point higher (8.55%) than the current rate:

	1% Decrease (6.55%)	Current Discount Rate (7.55%)	1% Increase (8.55%)
Net Pension Liability	\$123,048,807	\$ 57,836,956	\$ 2,546,691

**CITY OF FORT LAUDERDALE  
GENERAL EMPLOYEES' RETIREMENT SYSTEM**

**NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015  
(WITH PARTIAL COMPARATIVE INFORMATION FOR SEPTEMBER 30, 2014)**

NOTE 7 – TAX STATUS

Management and the Plan's tax counsel believe that the Plan is designed, and is currently being operated, in compliance with the applicable requirements of the Internal Revenue Code. The Internal Revenue Service has determined and informed the City by a letter dated October 24, 2014, that the Plan is designed in accordance with applicable sections of the Internal Revenue Code (IRC).

NOTE 8 – SUBSEQUENT EVENTS

On October 13, 2015, the Plan finalized the sale of two properties located at 316 N.E. 4th Street (purchased in 2006 for approximately \$3.0 million) and 300 N.E. 3rd Avenue (purchased in December 2011 for approximately \$3.9 million) for approximately \$8.5 million.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF FORT LAUDERDALE  
GENERAL EMPLOYEES' RETIREMENT SYSTEM  
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN THE  
EMPLOYER NET PENSION LIABILITY AND RELATED RATIOS**

	<u>2015</u>	<u>2014</u>
Total Pension Liability		
Service cost	\$ 9,917,828	\$ 10,774,138
Interest	44,655,792	43,346,733
Differences between expected and actual experience	(6,253,927)	-
Assumption changes	5,940,974	-
Benefit payments	(36,967,771)	(36,087,008)
Refunds	<u>(127,423)</u>	<u>(153,598)</u>
Net Change in Total Pension Liability	17,165,473	17,880,265
Total Pension Liability - Beginning	<u>592,365,618</u>	<u>574,485,353</u>
Total Pension Liability - Ending (a)	<u>\$ 609,531,091</u>	<u>\$ 592,365,618</u>
Plan Fiduciary Net Position		
Contributions - employer	15,501,180	15,061,353
Contributions - member	3,200,689	3,264,583
Net investment income	(22,561,456)	59,588,725
Benefit payments	(36,967,771)	(36,087,008)
Refunds	(127,423)	(153,598)
Administrative expenses	<u>(398,274)</u>	<u>(469,862)</u>
Net Change in Plan Fiduciary Net Position	(41,353,055)	(41,204,193)
Plan Fiduciary Net Position - Beginning	<u>593,047,190</u>	<u>551,842,997</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 551,694,135</u>	<u>\$ 593,047,190</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 57,836,956</u>	<u>\$ 57,836,956</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.51%	100.12%
Covered-Employee Payroll	\$ 57,804,651	\$59,303,500
Net Pension Liability as a Percentage of Covered-Employee Payroll	100.06%	97.53%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the plan will present information for those years for which information is available.



**CITY OF FORT LAUDERDALE  
 GENERALEMPOYEEES' RETIREMENT SYSTEM  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF EMPLOYER CONTRIBUTIONS**

<u>FY Ending September 30,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2006	\$ 14,749,038	\$ 14,749,038	\$ -	N/A	N/A
2007	\$ 15,221,841	\$ 15,221,841	\$ -	N/A	N/A
2008	\$ 16,025,608	\$ 16,025,608	\$ -	N/A	N/A
2009	\$ 18,363,351	\$ 18,363,351	\$ -	N/A	N/A
2010	\$ 19,387,067	\$ 19,387,067	\$ -	N/A	N/A
2011	\$ 21,534,043	\$ 21,534,043	\$ -	N/A	N/A
2012	\$ 22,379,269	\$ 22,379,269	\$ -	N/A	N/A
2013	\$ 13,560,634	\$ 13,560,634	\$ -	N/A	N/A
2014	\$ 15,061,353	\$ 15,061,353	\$ -	\$ 59,303,500	25.40%
2015	\$ 15,501,180	\$ 15,501,180	\$ -	\$ 57,804,651	26.82%

N/A – Information not available

Note to Schedule:

Valuation date: September 30, 2013

Actuarially determined contribution rates are calculated as of September 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar
Closed amortization period	29 years
Asset valuation method	5-year smoothed market
Investment rate of return	7.65%
Inflation	3.25%
Salary increases	4.0% to 9.5% depending on age, including inflation.

**CITY OF FORT LAUDERDALE  
GENERAL EMPLOYEES' RETIREMENT SYSTEM  
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS (Continued)**

Note to Schedule (Continued):

Cost-of-living adjustments	Ad-hoc adjustments are made at the discretion of the Board of Trustees with approval of the City Commission if investment earnings have exceeded the funding assumptions during the prior fiscal year.
Mortality	RP-2000 Combined Healthy Participant Mortality Tables for males and females with mortality improvements projected to all future years after 2000 using Scale AA.
<b>Other Information:</b> Notes	The investment return assumption change from 7.65% to 7.55% is reflected in the 2015 Statement of Changes in Net Position.

**CITY OF FORT LAUDERDALE  
GENERAL EMPLOYEES' RETIREMENT SYSTEM  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF INVESTMENT RETURNS**

	<u>2015</u>	<u>2014</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	(4.59%)	10.62%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the plan will present information for those years for which information is available.

REPORTING SECTION

INDEPENDENT AUDITOR'S REPORT ON INTERNAL  
CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees  
City of Fort Lauderdale, Florida  
General Employees' Retirement System

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the City of Fort Lauderdale General Employees' Retirement System (The Plan), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements, and have issued our report thereon dated March 3, 2016.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Crowe Horwath LLP

Fort Lauderdale, Florida  
March 3, 2016

# SCHEDULE OF LARGE USER WASTEWATER TREATMENT RATE COMPUTATION

City of Fort Lauderdale, Florida  
For the Year Ended September 30, 2015  
With Report of Independent Auditor's

**City of Fort Lauderdale, Florida**  
**Schedule of Large User**  
**Wastewater Treatment Rate Computation**

**For the Year Ended September 30, 2015**

**Contents**

Independent Auditor's Report ..... 1  
Schedule of Large User Wastewater Treatment Rate Computation ..... 3  
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## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor,  
City Commission and City Manager  
City of Fort Lauderdale, Florida  
Fort Lauderdale, Florida

### **Report on the Schedule**

We have audited the accompanying schedule of large user wastewater treatment rate computation (the "schedule") of the City of Fort Lauderdale, Florida (the "City") for the year ended September 30, 2015, and the related notes to the schedule.

### ***Management's Responsibility for the Schedule***

Management is responsible for the preparation and fair presentation of the schedule in accordance with the financial reporting provisions of Article 5 of the agreements for the provision of wastewater transmission, treatment and disposal services ("agreements") between the City and the City of Tamarac, the City of Wilton Manors, Broward County, the Town of Davie and the City of Oakland Park (collectively, the Customers). Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedule that is free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on the schedule based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule is free from material misstatement.

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

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

**Opinion**

In our opinion, the schedule referred to above, presents fairly, in all material respects, the cost of providing wastewater transmission, treatment and disposal services to the Customers for the year ended September 30, 2015, in accordance with the financial reporting provisions of Article 5 of the agreements.

**Emphasis of Matters***Basis of Accounting*

We draw attention to Note 1 to the schedule, which describes the basis of accounting. The schedule was prepared by the City on the basis of the financial reporting provisions of Article 5 of the agreements, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the financial reporting provisions of the agreements referred to above. Our opinion is not modified with respect to this matter.

*Significant Interpretations*

As discussed in Note 2, the accompanying schedule was prepared assuming that operation and maintenance costs include the costs of acquiring equipment for use in the provision of wastewater transmission, treatment and disposal services to the Customers. Our opinion is not modified with respect to this matter.

**Restriction on Use**

Our report is intended solely for the information and use of the Honorable Mayor, City Commission, City Manager and management of the City, and the Customers and is not intended to be and should not be used by anyone other than these specified parties.

Crowe Horwath LLP

Fort Lauderdale, Florida  
April 26, 2016

**City of Fort Lauderdale, Florida**  
**Schedule of Large User**  
**Wastewater Treatment Rate Computation**

**For the Year Ended September 30, 2015**

Operation and maintenance costs	\$ 15,178,996
Debt service and bond covenant requirements, net	2,196,055
Replacement costs	<u>6,993,035</u>
Total user costs	24,368,086
Less interest earnings	<u>217,083</u>
Total user charges	<u>\$ 24,151,003</u>
Gallons treated (in 1,000's)	13,513,845
User charge per 1,000 gallons treated	<u>\$ 1.78713041</u>

*See accompanying notes.*

## **1. Background**

The accompanying schedule of large user wastewater treatment rate computation presents the wastewater transmission, treatment and disposal charges allocated to the central regional wastewater treatment plant operated by the City of Fort Lauderdale, Florida (the City). In addition to the City, the plant provides wastewater treatment services to the cities of Oakland Park, Tamarac, Wilton Manors, and the Port Everglades Authority, succeeded by Broward County effective October 1, 1994, and the Town of Davie. The basis for calculation of the costs to operate the plant is defined in Article 5 of the large user agreements with each of the respective governmental units listed above. The accompanying schedule was prepared on a basis on accounting other than generally accepted accounting principles to comply with Article 5 of the agreements.

## **2. Operation and Maintenance Costs**

Operation and maintenance costs include labor, materials, equipment (including equipment acquisition costs), fuel, utilities, chemicals, transportation, travel, administrative expenses, billing expenses, supplies, rent, insurance, employee benefits, liability insurance costs, workers' compensation insurance costs, outside services, and any other costs of operation and maintenance of the central regional wastewater transmission, treatment, and disposal facilities. Under generally accepted accounting principles, equipment acquisition costs generally are capitalized and depreciated over their estimated useful lives.

## **3. Debt Service and Bond Covenant Requirements**

Debt service and debt covenant requirements include charges for principal, interest, and amounts necessary to meet the requirements of debt obligations and covenants for those portions of the City's bond issues and loans used to purchase or construct capital assets of the central regional wastewater transmission treatment and disposal facilities.

On May 3, 2012 the City issued \$64,585,000 of Water and Sewer Revenue Refunding Bonds, Series 2012. The Series 2012 was the refunding of the Series 2003, of which \$2,929,701 was for the Central Regional Wastewater System. The issue provides for semi-annual principal and interest payments with interest rates ranging from 2.0% to 5.0% and a final maturity on September 1, 2028. This refinancing reduced the interest rate from 3.5% to 2.0%. As of September 30, 2015, the Central Regional Wastewater System's liability for these bonds totaled \$2,660,478.

In order to take advantage of low interest rates, the City is participating in the State of Florida revolving loan program to finance sewer system capital improvements. The loan program operates on a reimbursement basis. When proceeds are issued, the loan accrues interest based upon the rate approved by the State at the date of closing. The liability due to the State is the original loan amount plus accrued interest until the date repayments commence. The loans provide for semi-annual principal and interest payments with interest rates ranging from 2.1% to 2.9%. As of September 30, 2015, the Central Regional Wastewater System's liability for these loans totaled \$17,624,723.

#### **4. Replacement Costs**

Replacement costs, which are required by Public Law 92-500, provide for replacement or addition of equipment that will be needed to maintain the performance and capacity of the central regional wastewater facilities during the next 20 years of operation. Replacement costs for the succeeding 20-year period were originally estimated on June 14, 1985, and are updated annually by the City's consulting engineers. The amount of replacement cost to be collected in a given year is based on the total estimated replacement costs less the amount accumulated in the reserve for replacement, divided by 20.

#### **5. Interest Earnings**

Interest earned on investments held by the central regional wastewater treatment system is reflected as a reduction of costs used to compute the wastewater treatment rate in accordance with provisions of the large user agreements as amended.

#### **6. Gallons Treated**

Gallons treated are based on metering devices located at the wastewater treatment plant and maintained by the City.

#### **7. Interim Billing Rate**

The large user agreements provide for the City to bill each user an interim wastewater treatment rate based on budgeted operation and maintenance costs, debt service, and bond covenant costs, and replacement costs for the fiscal year. At the close of the fiscal year, an adjustment is made based on actual user charges. The interim-billing rate used in fiscal year 2015 was \$1.700 per 1000 gallons.



COMMUNITY REDEVELOPMENT AGENCY

# ANNUAL FINANCIAL REPORT

Fiscal Year Ended September 30, 2015

**FORT LAUDERDALE  
COMMUNITY REDEVELOPMENT AGENCY**  
(A Component Unit of the City of Fort Lauderdale, Florida)

**REPORT ON BASIC FINANCIAL STATEMENTS**

**Fiscal Year Ended  
September 30, 2015**



Prepared by  
**The Finance Department**

# FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY

## CRA BOARD OF COMMISSIONERS

John P. "Jack" Seiler, Chairman  
Robert L. McKinzie, Vice Chair  
Bruce G. Roberts, Commissioner  
Dean J. Trantalis, Commissioner  
Romney Rogers, Commissioner

EXECUTIVE DIRECTOR  
Lee R. Feldman, ICMA-CM



**FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY**

ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2015

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## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor,  
City Commission and City Manager  
City of Fort Lauderdale, Florida  
Fort Lauderdale, Florida

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of the Fort Lauderdale Community Redevelopment Agency (the "Agency"), a component unit of the City of Fort Lauderdale, Florida, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Agency, as of September 30, 2015, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

In June 2012 the GASB issued GASB Statement No. 68, "Accounting and Financial Reporting for Pensions." Also, in November 2013 the GASB issued GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date." As disclosed in Note 8, Statements 68 and 71 are effective for the Authority's fiscal year ending September 30, 2015. These Statements replace the requirements of Statement No. 27, "Accounting for Pensions by State and Local Governmental Employers" and Statement No. 50, "Pension Disclosures." Statements 68 and 71 establish standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expenses as well as identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service. Note disclosures and required supplementary information requirements about pensions are also addressed. Our opinion is not modified with respect to this matter.

***Other Matters******Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion analysis, budgetary comparison schedule, schedule of Agency's proportionate share of the net pension liability, and schedule of Agency contributions on pages 3 to 8 and 30 to 34 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Report on Other Legal and Regulatory Requirements***

In accordance with Government Auditing Standards, we have also issued our report dated March 10, 2016 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Crowe Horwath LLP

Fort Lauderdale, Florida  
March 10, 2016

**FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY****MANAGEMENT'S DISCUSSION AND ANALYSIS**September 30, 2015

---

The Management's Discussion and Analysis section provides a narrative overview of the Fort Lauderdale Community Redevelopment Agency (CRA) financial activities for fiscal year ending September 30, 2015. This discussion is broken down into three components:

- An overview of the Agency.
- A brief overview of the financial statements, including how they relate to each other and the significant differences in information they provide.
- A concise, condensed financial report that summarizes the results of operations and a narrative financial analysis of the CRA's overall financial condition and results of operations, supported by additional consolidated information about specific services provided by the CRA.

**OVERVIEW**

The purpose of the Community Redevelopment Agency of the City of Fort Lauderdale, Florida (the "Agency") is to eliminate identified slum and blighted conditions within identified redevelopment areas pursuant to the redevelopment plans of the Agency.

The Agency's primary source of revenue is tax increment funds. The revenue for Central Beach and Northwest-Progresso-Flagler Heights is computed by applying the operating tax rate for the City of Fort Lauderdale, Broward County, North Broward Hospital District (HD), and the Children's Services Council (CSC), multiplied by the increased value of the property located within the boundaries of the redevelopment areas of the Agency, over the base property value, minus 5% for early payment. The Central City Area receives the City contribution only. The City, County, HD and CSC are required to fund this amount annually without regard to tax collections or other obligations.

Further, the Agency's policy is set by a board of directors comprised of five (5) members of the Commission of the City of Fort Lauderdale with the Mayor serving as the Chairman. The City Manager serves as the Executive Director of the Board. The Board is separate, distinct and independent from the governing body of the City of Fort Lauderdale. The Agency's management plan is executed by a small management staff led by the Community Redevelopment Agency Manager.

The Agency was established in 1989 by the City of Fort Lauderdale, Florida under the provisions of Section 163.330, Florida Statutes. Fort Lauderdale has three (3) CRA target areas. They are Central Beach Area which was established in 1989, Northwest-Progresso-Flagler Heights which was created in 1995, and Central City which was created in 2012.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The Agency's basic financial statements are comprised of three sections: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The nature of these three components of the report is described as follows:

**Government-wide financial statements**

There are two financial statements in this section that address the financial position and results of operations of the Agency taken as a whole: the Statement of Net Position and the Statement of Activities.

**FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY****MANAGEMENT'S DISCUSSION AND ANALYSIS**September 30, 2015

---

These two financial statements are prepared using the "full accrual" method (basis) of accounting. This is the same accounting method used by most private-sector companies to determine whether they earn a profit in any given year, and to measure the net worth of the company as of the end of the year. Under the full accrual basis of accounting, some cash flows into the organization and some of the cash flows out of the organization are not considered operating revenues or operating expenses and accordingly do not appear on a profit and loss statement. For example, under the full accrual basis of accounting, the purchase of capital assets (e.g. equipment, land, buildings that have a useful life beyond one year) is not considered an operating expense when purchased.

The statement of net position is similar to a balance sheet in that it separately identifies the assets (what the Agency owns) from the liabilities (what the Agency owes) and the net difference between the two. Cash, receivables, land, buildings and equipment are examples of assets. Bonds, notes, and payables are examples of liabilities. The increase or decrease in net position from one year to the next indicates whether the Agency's financial position is improving or deteriorating.

The statement of activities explains how or why the net position have increased or decreased during the year. The statement of activities resembles a profit and loss statement because it compares the total expenses of the government to the total revenues, with the difference between the two, equaling the increase or decrease in net position over the course of the year.

**Fund financial statements**

Governmental Funds (beginning on page 12) are used to account for essentially the same functions reported as governmental activities in the government-wide statements. However, unlike the previous statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Since the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. This comparison highlights the long-term impact of the Agency's near term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances offer a reconciliation to assist with this comparison.

The Agency maintains 3 individual governmental funds. All governmental funds of the Agency are considered major funds and thus are reflected separately in the fund financial statements.

**Notes to the financial statements**

The third section of the basic financial statements is the notes to the financial statements. This section provides a further level of detail necessary to better understand the information provided within the government-wide financial statements and fund financial statements.

In addition to the three major types of data included in the basic financial statements (as defined on the preceding pages), this annual financial report also includes required supplementary information regarding the results of operations of the Agency.

**Required supplementary information**

Included in this section of the report are the Budgetary Comparison Schedule, Schedule of Agency's Proportionate Share of the Net Pension Liability and Schedule of Agency Contributions.

**FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY**

## MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2015

**CONDENSED FINANCIAL INFORMATION**

This section presents condensed financial information from the government-wide financial statements that compares the current year to the prior year. The analysis highlights economic factors that significantly affected operating results during the year. The following condensed information is derived from the government-wide financial statements for the Fort Lauderdale Community Redevelopment Agency.

## CONDENSED STATEMENT OF NET POSITION (in thousands)

	<b>Governmental Activities</b>	
	<b>2015</b>	<b>2014*</b>
<b>Assets and Deferred Outflows</b>		
Current and Other Assets	\$ 66,252	\$ 60,231
Capital Assets (Net)	24,026	20,028
Deferred Outflows	528	-
<b>Total Assets and Deferred Outflows</b>	<b>90,806</b>	<b>80,259</b>
<b>Liabilities</b>		
Current and Other Liabilities	1,317	713
Long-Term Liabilities	7,891	182
Deferred Inflows	36	-
<b>Total Liabilities and Deferred Inflows</b>	<b>9,244</b>	<b>895</b>
<b>Net Position</b>		
Net Investment in Capital Assets	16,423	20,028
Restricted	65,139	59,336
<b>Total Net Position</b>	<b>\$ 81,562</b>	<b>\$ 79,364</b>

\*FY2014 as restated due to a change in accounting principle per GASB 68.

**FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY**

## MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2015

## CONDENSED CHANGES IN NET POSITION (in thousands)

	<b>Governmental Activities</b>	
	<b>2015</b>	<b>2014*</b>
<b>Revenues</b>		
Program Revenues:		
Operating Grants and Contributions	\$ 8,144	\$ 7,563
Capital Grants and Contributions	1,434	-
General Revenues:		
Property Taxes	4,485	4,052
Other	721	368
<b>Total Revenues</b>	<b>14,784</b>	<b>11,983</b>
<b>Expenses</b>		
Economic Environment	12,418	5,018
Interest on Long-Term Debt	168	-
<b>Total Expenses</b>	<b>12,586</b>	<b>5,018</b>
<b>Change in Net Position</b>	<b>2,198</b>	<b>6,965</b>
<b>Beginning Net Position</b>	<b>79,364</b>	<b>72,399</b>
<b>Ending Net Position</b>	<b>\$ 81,562</b>	<b>\$ 79,364</b>

\*FY2014 as restated due to a change in accounting principle per GASB 68.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

For the fiscal year ended September 30, 2015, results of operations of the Agency viewed on a government-wide basis reflects relatively strong financial performance.

The Agency's statement of net position serves as a useful indicator of a government's financial position as of a specific point in time. The relative composition of assets versus liabilities as shown on this report is indicative of a healthy (versus a tenuous) financial position. This analysis is most easily accomplished by converting this data into ratios.

One such ratio reflects the ability of the government to meet immediate cash demands – the ratio of current assets to current liabilities:

A comparison of current assets to current liabilities as of September 30, 2015:

	<b>2015</b>	<b>2014</b>
Current and Other Assets	\$ 66,252,374	\$ 60,231,153
Current and Other Liabilities	1,317,153	713,576
Net Current Assets	<b>\$ 64,935,221</b>	<b>\$ 59,517,577</b>
Ratio	50.30	84.41



**FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY**

## MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2015

**FUND FINANCIAL ANALYSIS**

The fund financial statements for governmental funds provide information on the near-term outflows, inflows, and balances of spendable resources. Such information is useful in assessing the Agency's financing requirements. The CRA Trust Funds balance at September 30, 2015 was \$65.4 million, an increase of \$5.9 million from the prior year balance of \$59.5 million. The Special Revenue Fund is used to account for the operating activities of the Agency. Operating revenues for FY2015 totaled \$12.9 million and operating expenditures totaled \$10.8 million.

A summary of the operations of Agency, including a comparison to the approved budget, is as follows:

	<b>SPECIAL REVENUE FUND</b>		
	<b>Final Budget</b>	<b>Actual Amounts</b>	<b>Variance with Budget -</b>
<b>REVENUES</b>			
Property Taxes	\$ 4,485,378	\$ 4,485,378	\$ -
Intergovernmental Revenues:			
Broward County	5,888,483	5,893,203	4,720
North Broward Hospital District	1,902,553	1,723,127	(179,426)
Children's Services Council	529,126	527,781	(1,345)
Miscellaneous:			
Interest Income	34,084	84,785	50,701
Other Miscellaneous Revenues	157,468	151,675	(5,793)
<b>Total Revenues</b>	<b>12,997,092</b>	<b>12,865,949</b>	<b>(131,143)</b>
<b>EXPENDITURES</b>			
Current:			
Economic Environment	12,322,363	10,802,401	1,519,962
<b>Total Expenditures</b>	<b>12,322,363</b>	<b>10,802,401</b>	<b>1,519,962</b>
<b>Excess of Revenues Over Expenditures</b>	<b>674,729</b>	<b>2,063,548</b>	<b>1,388,819</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (out)	(12,703,470)	(12,703,470)	-
Proceeds from Debt Issuance	7,544,568	7,544,568	-
<b>Total Other Financing Sources and (Uses)</b>	<b>(5,158,902)</b>	<b>(5,158,902)</b>	<b>-</b>
<b>Net change in Fund Balance</b>	<b>\$ (4,484,173)</b>	<b>\$ (3,095,354)</b>	<b>\$ 1,388,819</b>

For more detailed budget information, please see the Budgetary Comparison Schedule in Required Supplementary Information.

As noted earlier, the Agency has three specific redevelopment areas: the Central Beach Redevelopment Area, the Northwest-Progresso-Flagler Heights Redevelopment Area, and the Central City Redevelopment Area.

The following discussion addresses these redevelopment areas within the CRA fund:

### 1. The Central Beach Redevelopment Area

The Central Beach Redevelopment area is a special district whose mission is to eliminate slum and blight, stimulate redevelopment of the core area as a catalyst for the revitalization of the entire Central Beach area.

**FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY**

## MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2015

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**2. The Northwest-Progresso-Flagler Heights Redevelopment Area**

The Northwest-Progresso-Flagler Heights Redevelopment area is a special district whose mission is to promote economic development in the blighted Northwest section of the city.

**3. The Central City Redevelopment Area**

The Central City Redevelopment area is a special district whose mission is to invigorate the existing businesses, attract new businesses and investment, and provide a neighborhood commercial center for the surrounding neighborhoods.

**Capital Assets**

The Agency's investment in capital assets, net of accumulated depreciation, for governmental activities increased by \$4.0 million in FY2015. Additional information about the Agency's capital assets can be found in Note 4 to these financial statements.

**Debt Administration**

During the current fiscal year, the Agency issued a Tax Increment Revenue Note, Series 2015 for \$7.6 million. Additional information about the Agency's long-term debt can be found in Note 6 to these financial statements.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Fort Lauderdale Community Redevelopment Agency's finances and was prepared by the Finance Department of the City. Requests for additional information should be addressed to the Finance Director at 100 North Andrews Avenue, Fort Lauderdale, Florida, 33301.

**FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY**

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***BASIC FINANCIAL  
STATEMENTS***

**FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY****BASIC FINANCIAL STATEMENTS****STATEMENT OF NET POSITION**  
**September 30, 2015**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 59,040,801
Accounts Receivable (Net)	2,356
Properties Held for Resale	7,208,292
Prepaid Items	925
Capital Assets Not Being Depreciated	
Land	2,051,784
Construction in Progress	4,782,360
Capital Assets, Net of Accumulated Depreciation	
Buildings	290,399
Improvements	4,318,291
Infrastructure	12,551,616
Machinery, Equipment and Vehicles	31,228
<b>Total Assets</b>	<b>90,278,052</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Assumption Changes Pensions	34,755
Investment Losses Pensions	493,611
<b>Total Deferred Outflows of Resources</b>	<b>528,366</b>
<b>LIABILITIES</b>	
Accounts Payable	788,291
Accrued Liabilities	34,738
Due to City of Fort Lauderdale	25,000
Accrued Interest Payable	100,423
Long-Term Liabilities:	
Due Within One Year	368,701
Due in More Than One Year	7,891,178
<b>Total Liabilities</b>	<b>9,208,331</b>
<b>DEFERRED INFLOWS</b>	
Difference Between Expected and Actual Experience	36,585
<b>Total Deferred Inflows</b>	<b>36,585</b>
<b>NET POSITION</b>	
Net Investment in Capital Assets	16,422,678
Restricted for:	
Redevelopment Projects	64,782,980
Debt Service	355,844
<b>Total Net Position</b>	<b>\$ 81,561,502</b>

*The notes to the financial statements are an integral part of the financial statements.*

**FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY***BASIC FINANCIAL STATEMENTS***STATEMENT OF ACTIVITIES**

For Fiscal Year Ended September 30, 2015

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Primary Government</b>				
Economic Environment	\$ 12,471,181	\$ 8,144,111	\$ 1,433,378	\$ (2,893,692)
Interest on Long-term Debt	115,152	-	-	(115,152)
<b>Total Governmental Activities</b>	<b>\$ 12,586,333</b>	<b>\$ 8,144,111</b>	<b>\$ 1,433,378</b>	<b>(3,008,844)</b>
General Revenues:				
Property Taxes				4,485,378
Interest Revenue				569,471
Miscellaneous				151,675
Total General Revenues/Transfers				<u>5,206,524</u>
				Change in Net Position
				2,197,680
				Net Position - Beginning, as Restated (Note 8)
				<u>79,363,822</u>
				Net Position - Ending
				<u>\$ 81,561,502</u>

The notes to the financial statements are an integral part of the financial statements.

**FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY***BASIC FINANCIAL STATEMENTS***BALANCE SHEET  
GOVERNMENTAL FUNDS  
September 30, 2015**

	Major Funds			Total CRA Trust Funds
	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 2,803,153	\$ 456,267	\$ 55,781,381	\$ 59,040,801
Accounts Receivable (Net)	2,356	-	-	2,356
Properties Held for Resale	7,208,292	-	-	7,208,292
Prepaid Items	925	-	-	925
<b>Total Assets</b>	<b>\$ 10,014,726</b>	<b>\$ 456,267</b>	<b>\$ 55,781,381</b>	<b>\$ 66,252,374</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts Payable	\$ 119,389	\$ -	\$ 668,902	\$ 788,291
Accrued Liabilities	34,738	-	-	34,738
Due to City of Fort Lauderdale	25,000	-	-	25,000
<b>Total Liabilities</b>	<b>179,127</b>	<b>-</b>	<b>668,902</b>	<b>848,029</b>
Fund Balances:				
Restricted for				
Redevelopment Projects	9,835,599	-	55,112,479	64,948,078
Debt Service	-	456,267	-	456,267
Total Restricted	9,835,599	456,267	55,112,479	65,404,345
<b>Total Fund Balances</b>	<b>9,835,599</b>	<b>456,267</b>	<b>55,112,479</b>	<b>65,404,345</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 10,014,726</b>	<b>\$ 456,267</b>	<b>\$ 55,781,381</b>	<b>\$ 66,252,374</b>

*The notes to the financial statements are an integral part of the financial statements.*

**FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY***BASIC FINANCIAL STATEMENTS***RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
September 30, 2015**

<b>Total fund balances of governmental funds</b>		<b>\$</b>	<b>65,404,345</b>
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			<b>24,025,678</b>
Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities.			
Notes Payable	\$	(7,603,000)	
Net Pension Liability		(526,316)	
Net OPEB Obligation		(36,250)	
Compensated Absences and Longevity		(94,313)	
Accrued Interest Payable		(100,423)	
			<b>(8,360,302)</b>
Certain amounts related to the net pension liability are deferred and amortized over time. These are not reported in the funds:			
Investment Loss	\$	493,611	
Expected vs Actual Experience		(36,585)	
Assumption Change		34,755	
			<b>491,781</b>
<b>Total net position of governmental activities</b>		<b>\$</b>	<b>81,561,502</b>

*The notes to the financial statements are an integral part of the financial statements.*

**FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY***BASIC FINANCIAL STATEMENTS***STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS**

For Fiscal Year Ended September 30, 2015

	Major Funds			Total CRA Funds
	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	
<b>REVENUES</b>				
Property Taxes	\$ 4,485,378	\$ -	\$ -	4,485,378
Intergovernmental Revenues				
Broward County	5,893,203	-	-	5,893,203
North Broward Hospital District	1,723,127	-	-	1,723,127
Children's Services Council	527,781	-	-	527,781
Interest Income	84,785	-	484,686	569,471
Other Miscellaneous	151,675	-	-	151,675
Capital Contributions	-	-	1,433,378	1,433,378
<b>Total Revenues</b>	<b>12,865,949</b>	<b>-</b>	<b>1,918,064</b>	<b>14,784,013</b>
<b>EXPENDITURES</b>				
Economic Environment	10,802,401	-	225,802	11,028,203
Interest and Fiscal Charges	-	14,729	-	14,729
Bond Issuance Cost	-	53,440	-	53,440
Capital Outlay	-	-	5,403,873	5,403,873
<b>Total Expenditures</b>	<b>10,802,401</b>	<b>68,169</b>	<b>5,629,675</b>	<b>16,500,245</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>2,063,548</b>	<b>(68,169)</b>	<b>(3,711,611)</b>	<b>(1,716,232)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	466,004	12,703,470	13,169,474
Transfers (Out)	(12,703,470)	-	(466,004)	(13,169,474)
Proceeds from Debt Issuance	7,544,568	58,432	-	7,603,000
<b>Total Other Financing Sources (Uses)</b>	<b>(5,158,902)</b>	<b>524,436</b>	<b>12,237,466</b>	<b>7,603,000</b>
<b>Net Change in Fund Balances</b>	<b>(3,095,354)</b>	<b>456,267</b>	<b>8,525,855</b>	<b>5,886,768</b>
<b>Fund Balances - Beginning</b>	<b>12,930,953</b>	<b>-</b>	<b>46,586,624</b>	<b>59,517,577</b>
<b>Fund Balances - Ending</b>	<b>\$ 9,835,599</b>	<b>\$ 456,267</b>	<b>\$ 55,112,479</b>	<b>\$ 65,404,345</b>

The notes to the financial statements are an integral part of the financial statements.



**FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY***BASIC FINANCIAL STATEMENTS*

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
For Fiscal Year Ended September 30, 2015**

**Net change in fund balances of governmental funds** **\$ 5,886,768**

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital purchases as expenditures. However, in the statement of activities, the cost of those assets are depreciated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital purchases exceed depreciation in the current year.

Capital Outlay	\$ 4,974,590	
Depreciation Expense	<u>(977,120)</u>	<b>3,997,470</b>

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued Interest Payable	\$ (100,423)	
Change in Pension Expense	(42,297)	
Other Post-Employment Benefits	(7,362)	
Compensated Absences and Longevity Pay	<u>66,524</u>	<b>(83,558)</b>

The issuance of long-term debt (e.g., bonds, capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts (except for issuance costs) are capitalized and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

**(7,603,000)**

**Change in net position of governmental activities** **\$ 2,197,680**

*The notes to the financial statements are an integral part of the financial statements.*

**FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY**

***BASIC FINANCIAL STATEMENTS***

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**BASIC FINANCIAL STATEMENTS**

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**NOTES TO THE FINANCIAL STATEMENTS****September 30, 2015****NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Fort Lauderdale Community Redevelopment Agency's (the Agency) financial statements are prepared in accordance with United States Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

**A. Reporting Entity**

The Fort Lauderdale Community Redevelopment Agency was established in 1989 by the City of Fort Lauderdale, Florida (the City) under the provisions of Section 163.330, Florida Statutes. The City has created a total of three (3) Community Redevelopment Areas; Central Beach (1989), Northwest-Progresso-Flagler Heights (1995), and Central City (2012).

The board of directors of the Agency is comprised of five (5) members of the City Commission of the City and is separate, distinct, and independent from the governing body of the City.

For financial reporting purposes, the Agency is a component unit of the City and is thus included in the City's comprehensive annual financial report as a blended component unit. This report is not a complete presentation of the City of Fort Lauderdale.

**B. Government-wide and Fund Financial Statements, and their underlying Basis of Accounting**

The Agency's basic financial statements are presented in two separate and distinct formats. These consist of government-wide statements and fund financial statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Agency does not have any business-type activities and has only governmental activities. The accounts of the Agency are reported as special revenue funds.

**Government-wide Statements** In the Government-wide Statement of Net Position, the government activities are presented on a consolidated basis. This statement is prepared using the *economic resources* measurement focus, meaning all assets and liabilities (including capital assets and long-term debt) are included in the Statement of Net Position. This accounting methodology is more consistent with the methodology used for business accounting in the private sector than "traditional" governmental accounting methodology.

Within this statement, the net position of the Agency (assets and deferred outflows of resources minus liabilities and deferred inflows resources) is reported in two separate components – net investment in capital assets and restricted net position.

The Government-wide Statement of Activities reports the degree to which the gross expenses, including depreciation, of the significant governmental functions provided by the Agency, are financed by the program revenues and the operating and capital grants directly related to the costs of providing each function. The statement then reports the extent to which the resulting net costs of these functions (gross expenses less directly-related program revenues and grants) are financed by general revenues of the Agency (i.e. taxes, interest income, etc.) This statement is prepared using the *full accrual* basis of accounting, which determines the timing of the recording of revenues and expenses. Under this basis of accounting, revenues are recorded when earned, and expenses are recorded when an obligation is incurred.

**Fund Financial Statements** These statements report information at a higher level of detail, focusing on separate reporting of individual major funds, rather than consolidating financial data into the broad category of governmental activities.

The financial transactions of the Agency are reported in individual funds within the City's accounting system. Each fund is accounted for by providing a separate, self-balancing set of accounts comprised of the assets, liabilities, reserves, fund equity, revenues and expenditures of each fund. For purposes of this report, all of the Agency's funds are classified as major governmental funds.

**BASIC FINANCIAL STATEMENTS**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2015**

**Governmental Funds** – Within the fund financial statements, the accounting policies applied to governmental funds is intended to capture only those transactions that will occur in the short-term, and the ability to finance those activities as needed. The financial focus applied to governmental funds is called the modified accrual basis of accounting. Revenues are susceptible to accrual in the accounting period in which they become available and measurable, which generally means those revenues that are collected within 60 days after year end. The Agency accrues an asset equal to the value of all material revenue to which it is entitled. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

Within governmental fund types, assets and liabilities are recorded using the *flow of current financial resources* measurement focus, meaning only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources".

The governmental fund types utilized by the Agency are broken down as follows:

Special Revenue Fund – account for the proceeds of specific revenue sources from tax increment and property taxes that are legally restricted to expenditures for community redevelopment.

Debt Service Fund – account for resources that are restricted to payment of principal, interest and other expenditures on long-term debt.

Capital Projects Fund – account for financial resources segregated for the acquisition or construction of major capital facilities and redevelopment area improvements.

**C. Budget Policy and Budgetary Data**

The City prepares an annual operating budget for the Fort Lauderdale Community Redevelopment Agency. These budgets are prepared on the modified accrual basis of accounting.

The level of control (level at which expenditures may not exceed budget) is the department. The City Manager is authorized to transfer budgeted amounts within departments of any fund. The City Commission must approve any revisions that alter the total expenditures of any department.

Annual budgets are adopted for all governmental funds except the capital project funds. The original and final budgets, as presented, include re-appropriated encumbrances of the prior year. The budgets have been adopted on a basis consistent with GAAP with the following exceptions: Budgetary expenditures include GAAP expenditures adjusted for encumbrances at September 30, 2015. Unencumbered balances of appropriations lapse at year-end.

As of September 30, 2015, there were no material violations of budgetary requirements.

**D. Cash and Cash Equivalents**

The Agency considers cash on hand, cash with fiscal agents, demand deposits, certificates of deposit and bank repurchase agreements as cash and cash equivalents. Each fund's equity in the City's investment pool has been treated as a cash equivalent since cash may be deposited or withdrawn from the pool at any time without prior notice or penalty.

**E. Receivables**

Receivables are reported net of allowances for uncollectibles where applicable.

**F. Properties Held for Resale**

Inventories in the governmental funds are composed of land held for redevelopment or resale and are stated at cost.

*BASIC FINANCIAL STATEMENTS*

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**NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2015**

**G. Unrestricted and Restricted Assets**

In cases in which both unrestricted and restricted assets are available to finance an expense or program, the Agency's policy is to utilize restricted assets first whenever possible.

**H. Capital Assets**

Capital assets, including land, buildings, improvements other than buildings, infrastructure (that is, roads, bridges, street lighting and other similar items) and equipment, are reported in the applicable governmental and business-type activities columns in the government-wide financial statements. The Agency defines capital assets as assets with an initial cost of \$5,000 or more and an estimated useful life of more than one year. Such assets are stated at cost or estimated historical cost. Contributions or donations of capital assets received from federal, state or local sources are recorded as contributions when received and are stated at estimated fair value. Additions, improvements and expenditures that significantly extend the useful life of an asset are capitalized.

Depreciation of capital assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	40-50 years
Improvements	20-50 years
Infrastructure	15-50 years
Machinery, Equipment and Vehicles	3-15 years

The Agency follows the requirements of GASB Statement No. 42, "Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries" regarding potential impairment of capital assets.

Depreciation expense on assets used in governmental activities is included in the expenses of each governmental function on the government-wide Statement of Activities. Depreciation on general infrastructure assets is included within the economic environment.

**I. Tax Increment Revenues**

The Agency's primary source of revenue is tax increment funds. The tax increment is made up of property taxes contributed by the City, County, North Broward Hospital District and the Children's Services Council to the Community Redevelopment Trust Fund. The tax increment is calculated annually based on increases to property values within the designated CRA districts using the year in which they were established as the "base year". For example, if an unimproved property was valued at \$10,000 in the base year and a new house is built on the property tomorrow, the new value of the property is \$25,000. The incremental difference in value (new assessed value – base year value) is \$15,000. Taxes collected on the property will be split amongst the City, County and various agencies. The CRA receives all taxes assessed on the incremental increase of \$15,000. Revenues generated by improvements in the CRA districts are to be reinvested in the district to continue to spur redevelopment.

Substantially all governmental fund revenues are accrued. Property taxes, which are levied annually based on the value of real property and tangible personal property as assessed on January 1 and are payable from November through the following March, are recognized in the same fiscal period in which payment is due.

The property tax calendar for 2015 is as follows:

Lien date	November 1, 2015
Levy date	November 1, 2015
Due dates	November 1, 2015 through March 31, 2016
Delinquent date	April 1, 2016
Tax certificate sale	On or before June 1, 2016

Contributions to the CRA must be made by January 1<sup>st</sup> or there is a 5% penalty.

**BASIC FINANCIAL STATEMENTS**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2015**

In the Government-wide Statement of Activities, revenue that is derived directly from the program itself or from outside sources, if restricted to a specific program, is called program revenue. Program revenue is classified as either charges for services, operating grants or capital grants. Charges for services is revenue received by a particular function for the services that it provides to both entities outside of the City and to other City functions. Operating grant revenues come from other government entities to support the operation costs of particular functions and also from the earnings of permanent funds that are legally restricted to a particular function. Capital grants come from other government entities for the purpose of constructing or purchasing capital assets.

**J. Indirect Expenses**

Within the government-wide Statement of Activities, indirect expenses are not allocated to the functions of governmental activities. All expenses represent only direct expenses of each function.

**K. Use of Estimates**

Management has made estimates and assumptions relating to the reporting of assets and liabilities in conformity with GAAP. Actual results may differ.

**L. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The CRA reports change in pension assumptions and loss on pension investments. Changes in pension plan assumptions are deferred and amortized over the expected remaining service lives of employees that are provided with pensions through the pension plan (active employees and inactive employees). Loss on pension investments are deferred and amortized over five years.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that period. The CRA has one item that qualifies for reporting in this category, certain amounts related to pensions must be deferred. Differences between expected and actual experience are deferred and amortized over the expected remaining service lives of employees that are provided with pensions through the pension plan (active employees and inactive employees).

**M. Fund Balance**

In the governmental funds, fund balances are reported as nonspendable if they are not in spendable form or are legally or contractually required to be maintained intact. In addition, fund balances are reported as restricted to specific purposes based upon the extent to which the Agency is bound to honor constraints placed on those funds.

Encumbrance accounting, under which purchase orders and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbered amounts for specific purposes are reported within the applicable restricted, committed or assigned fund balance classifications.

Net position of the government-wide fund is categorized as net investment in capital assets; restricted or unrestricted. Net investment in capital assets consists of capital assets reduced by the outstanding debt issued to acquire, construct or improve those assets, less any unspent debt proceeds. Restricted net position has regulatory or third party limitations on its use.

*BASIC FINANCIAL STATEMENTS*

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**NOTES TO THE FINANCIAL STATEMENTS  
 September 30, 2015**

The governmental fund balance in detail as of September 30, 2015 is as follows:

	Governmental Funds
Fund Balances:	
Restricted for:	
Redevelopment Projects	\$ 64,948,078
Debt Service	456,267
Total Fund Balance	\$ 65,404,345

**N. Compensated Absences and Longevity**

Agency employees are granted sick, vacation, and longevity pay in varying amounts based on length of service, date of hire, and employee group. Compensatory time is granted to employees in lieu of overtime pay at the employees' request. Sick leave payments to terminated employees are based on length of service and usage on a last in, first out basis. Unused vacation pay and compensatory time are paid upon an employee's termination. Longevity pay is paid to eligible employees annually based on length of service. Accumulated compensated absences and longevity are recorded as expenses in the government-wide fund financial statements when earned. Expenditures for accumulated compensated absences and longevity have been recorded in the governmental funds only for amounts payable to employees who have terminated as of the end of the fiscal year.

**O. Net OPEB Obligation**

The Agency participates in the City's other post-employment benefit plan. The Agency has an allocated portion of the City's total net OPEB obligation. However, the amount of the obligation is not considered material and therefore, the Agency has not included related note disclosure or required supplementary information.

**P. Net Pension Liability**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the plan net position of the General Employees' Retirement System (GERS) and additions to/deductions from the GERS plan net position has been determined on the same basis as they are reported by the GERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**NOTE 2 – CASH AND CASH EQUIVALENTS**

**A. Deposits**

The Agency's cash as of September 30, 2015, consisted of equity in pooled cash in the amount of \$59,040,801. The Agency has elected to pool its cash with the City of Fort Lauderdale. The collateral consists of insurance provided by the FDIC and securities held by the State of Florida Public Deposit Security Trust Fund.

Custodial Credit Risk

Custodial credit risk for deposits is the risk in the event of the failure of a depository financial institution; a government may not be able to recover deposits. Monies placed on deposit with financial institutions in the form of demand deposits, time deposits or certificate of deposits are defined as public deposits. The City's investment policy requires that the City's public deposits be held in a State Qualified Public Depository as defined in Section 280.02, Florida Statutes. At September 30, 2015, \$58,790,801 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institutions' trust department, but not in the City's name.

As of September 30, 2015, the bank balances totaled \$59,040,801, of which \$58,790,801 was deposited in a State Qualified Public Depository and the remainder was insured by the Federal Depository Insurance Corporation (FDIC). The carrying value of cash is \$59,040,801.

BASIC FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2015

**NOTE 3 – INTER-FUND TRANSFERS**

The composition of inter-fund transfers for the year ended September 30, 2015 was as follows:

Transfers Out	Transfers In		
	Debt Service Fund	Capital Projects Fund	Total
Governmental Funds			
Special Revenue Funds	\$ -	\$ 12,703,470	\$ 12,703,470
Capital Projects Funds	466,004	-	466,004
	<u>\$ 466,004</u>	<u>\$ 12,703,470</u>	<u>\$ 13,169,474</u>

The Agency transfers funds from the Capital Projects Fund to the debt service fund to meet debt service requirements. Other transfers to the capital projects funds provide funding for specific projects within the Community Investment program. The \$12,703,470 transfer to the capital projects fund from the special revenue fund, represents the funding for the Agency’s capital projects.

**NOTE 4 – CAPITAL ASSETS**

**A. Capital Activity**

Capital assets of the Agency as of September 30, 2015, consisted of the following:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 2,051,784	\$ -	\$ -	\$ 2,051,784
Construction in progress	2,147,114	4,974,590	2,339,344	4,782,360
Total capital assets not being depreciated	<u>4,198,898</u>	<u>4,974,590</u>	<u>2,339,344</u>	<u>6,834,144</u>
Capital assets being depreciated				
Buildings	395,999	-	-	395,999
Improvements	2,637,760	2,330,457	-	4,968,217
Infrastructure	15,017,812	-	-	15,017,812
Equipment	36,755	8,887	-	45,642
Total capital assets being depreciated	<u>18,088,326</u>	<u>2,339,344</u>	<u>-</u>	<u>20,427,670</u>
Less accumulated depreciation for:				
Buildings	96,800	8,800	-	105,600
Improvements	401,515	248,411	-	649,926
Infrastructure	1,748,247	717,949	-	2,466,196
Equipment	12,454	1,960	-	14,414
Total accumulated depreciation	<u>2,259,016</u>	<u>977,120</u>	<u>-</u>	<u>3,236,136</u>
Total capital assets being depreciated, net	<u>15,829,310</u>	<u>1,362,224</u>	<u>-</u>	<u>17,191,534</u>
Net Capital Assets	<u>\$ 20,028,208</u>	<u>\$ 6,336,814</u>	<u>\$ 2,339,344</u>	<u>\$ 24,025,678</u>

**B. Depreciation Expense**

Included in the government-wide Statement of Activities is depreciation expense for the year ended September 30, 2015, distributed to governmental functions as follows:

Governmental Activities:	
Economic Environment	\$ 977,120
Total depreciation expense - governmental activities	<u>\$ 977,120</u>



*BASIC FINANCIAL STATEMENTS*

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**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2015**

**NOTE 5 – RISK FINANCING ACTIVITIES**

The Agency is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The City has established a self-insurance fund that is used to account for and finance both uninsured and insured risks of loss. Coverage is provided for workers' compensation, employment practices, public officials' liability, general liability, automobile liability, and certain medical benefits. The City has obtained insurance coverage for workers' compensation claims in excess of \$1.0 million for employees with statutory limits per occurrence. Property insurance has been purchased for City structures with a standard peril deductible of \$50,000, a named windstorm deductible of \$5,000,000 per loss on both the utility and non-utility property programs, and a flood deductible of either \$50,000 or \$5,000 per location, depending on the location. Commercial, specific, stop-loss insurance is also purchased for medical benefits claims in excess of \$250,000. The City also has insurance coverage for employment practices liability with a \$150,000 deductible, public officials' liability coverage with a \$100,000 deductible and a \$4.0 million combined coverage limit for both policies. Settlements have not exceeded the retention for each of the past ten fiscal years.

The Agency participates in the City's self-insurance program and made insurance premium payments in the amount of \$10,294. There is no insurance claims payable at September 30, 2015. Refer to the City of Fort Lauderdale, Florida Comprehensive Annual Financial Report (CAFR) for additional disclosures. The CAFR is located on the city's website at [www.fortlauderdale.gov/departments/finance/financial-reports](http://www.fortlauderdale.gov/departments/finance/financial-reports).

**NOTE 6 – LONG-TERM LIABILITIES**

The following is a summary of long-term obligation transactions of the Agency for the year ended September 30, 2015.

	Beginning Balance	Additions	Deletions	Ending Balance	Amount Due within One Year
Tax Increment Revenue Note, Series 2015	\$ -	\$ 7,603,000	\$ -	\$ 7,603,000	\$ 346,000
Net Pension Liabilities	-	526,316	-	526,316	-
Net OPEB Liabilities	28,888	18,027	10,665	36,250	-
Compensated Absences and Longevity	160,837	55,206	121,730	94,313	22,701
Total CRA	<u>\$ 189,725</u>	<u>\$ 8,202,549</u>	<u>\$ 132,395</u>	<u>\$ 8,259,879</u>	<u>\$ 368,701</u>

On April 9, 2015, the Agency issued CRA Tax Increment Revenue Note, Series 2015 for \$7,603,000. The proceeds were used to pay for costs related to the design and construction of the North loop of the WAVE modern streetcar project, which is located in the Northwest-Progresso-Flagler Heights area of the Agency. The Series 2015 note provides for semi-annual interest payments at a rate of 3.17% and annual principal payments until maturity in 2025. As of September 30, 2015, the Agency's liability for the note totaled \$7,603,000.

*BASIC FINANCIAL STATEMENTS*

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**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2015**

The requirement to repay all long-term debt outstanding as of September 30, 2015 (in thousands) is summarized in the following table:

Year Ending September 30	Governmental Activities	
	Tax Increment Note	
	Principal	Interest
2016	\$ 346	\$ 236
2017	628	220
2018	648	200
2019	669	179
2020	690	157
2021-2025	3,790	440
2026 - 2031	832	13
Total	\$ 7,603	\$ 1,445

**NOTE 7 – PENSION PLAN**

A) Defined Benefit Plan – Plan Description and Funding Policies

Substantially all full-time employees of the Agency are provided with pensions through the City of Fort Lauderdale General Employees’ Retirement System (the Plan) – a single employer defined benefit pension plan administered by the City of Fort Lauderdale, Florida. The Plan issues a publicly available financial report that can be obtained at [www.citypension.com](http://www.citypension.com) or by writing the Board of Trustees:

Board of Trustees of the City of Fort Lauderdale General Employees’ Retirement System  
 316 NE Fourth Street, Suite 2  
 Fort Lauderdale, FL 33301

The benefit provisions and all other requirements are established and may be amended by City ordinance.

The plan provides for retirement benefits as well as death and disability benefits at three different tiers depending on when the members entered the Plan:

The General Employees’ Retirement System is a single-employer defined benefit plan administered by an eight-member board of trustees, which covers City employees, except police and firefighters. Through collective bargaining with the general, supervisory and professional City employees, a new single-employer defined contribution pension plan was established for Teamster Union employees hired on or after October 1, 2007, Supervisory Union employees hired on or after November 7, 2007, and all other Non-Union employees hired on or after February 20, 2008. The General Employees Retirement System was then closed to new entrants.

Under the vesting provisions of the plan, employees are entitled to 100% of normal retirement benefits after 5 years of service. Members who terminate prior to vesting are entitled to a refund of employee contributions plus interest at 3% per year. Employees are eligible to retire after 30 years of service, regardless of age, or at age 55 with 5 years of service. Members who continue in employment past normal retirement may either accrue larger pensions or freeze their accrued benefit and enter the Deferred Retirement Option Plan (DROP). Each participant in the DROP has an account credited with benefits not received plus interest. Participation in the DROP must end no later than 36 months after normal retirement. Certain employees hired on or after October 1, 1983 electing reduced benefits are entitled to 100% of normal retirement benefits after 10 years of service beginning at age 65. These benefit provisions and all other requirements are established by City ordinance.

BASIC FINANCIAL STATEMENTS

**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2015**

Contributions

The Agency is to contribute such amounts as are necessary to maintain the actuarial soundness of the Plan and to provide the Plan with assets sufficient to meet the benefits to be paid to the members. All members who participate are required to contribute 4% to 6% of their covered salary to the Plan.

For the fiscal year ended September 30, 2015, the Agency was required to make contributions of \$141,061 or 26.82% of covered payroll to the Plan in accordance with actuarially determined requirements computed through an actuarial valuation performed as of September 30, 2014. The Agency contributed \$141,061 to the Plan during fiscal year 2015.

*Pension liabilities, pension expense and deferred outflows of resources and deferred inflows of resources related to pensions* – At September 30, 2015, the Agency reported a liability of \$526,316 or 0.91% as its proportionate share of the City’s net pension liability.

For the year ended September 30, 2015, the Agency recognized pension expense of \$181,799. At September 30, 2015, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference Between Expected and Actual Experience	\$ -	\$ 36,585
Changes in Assumptions	34,755	-
Net Difference Between Projected and Actual Earnings on Pension Investments	493,611	
<b>Total</b>	<b>\$ 528,366</b>	<b>\$ 36,585</b>

Net deferred outflows and inflows of resources at September 30, 2015, related to pensions will be recognized in pension expense in future periods as follows:

Year Ended September 30:		
2016	\$	122,386
2017		122,589
2018		123,403
2019		123,403
	\$	491,781

*Actuarial assumptions* - The total pension liability was determined by an actuarial valuation and measurement date as of September 30, 2015, using the following actuarial assumptions, applied to all periods included in the measurement.

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level dollar, Closed
Inflation	3.25%
Salary Increases	4.00% to 9.50% depending on age, including inflation
Investment Rate of Return	7.55%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvements projected to all future years after 2000 using Scale AA.

BASIC FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2015

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic nominal rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Large Cap Equity	40.0%	11.1%
SMid Cap Equity	5.0%	12.5%
Small Cap Equity	5.0%	9.8%
International Equity	15.0%	7.1%
Emerging Markets Equity	15.0%	9.6%
Real Estate	5.0%	9.7%
Timber	5.0%	8.4%
Fixed Income	10.0%	6.2%
Total	<u>100.00%</u>	

*Discount rate* - This single discount rate was based on the expected rate of return on Pension Plan investments of 7.55%. The projection of cash flows used to determine this single discount rate assumed that Plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on Pension Plan investments (7.55%) was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Agency's proportionate share of the net pension liability to changes in the discount rate - The Agency's proportionate share of the net pension liability has been calculated using a discount rate of 7.55%. The following presents the Agency's proportionate share of the net pension liability calculated using a discount rate 1% higher and 1% lower than the current rate:

	1% Decrease 6.55%	Current Discount Rate 7.55%	1% Increase 8.55%
Proportionate Share of the Collective Net Pension Liability	\$ 1,119,744	\$ 526,316	\$ 23,175

Summary Pension Plan Information:

	<u>Agency's Pension Plan Information</u>
Net Pension Liability	\$ 526,316
Deferred Outflows of Resources	528,366
Deferred Inflows of Resources	36,585
Pension Expense	181,799

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued Plan financial report.

BASIC FINANCIAL STATEMENTS

**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2015**

B) Defined Contribution Plans

1. General Employees Defined Contribution Plan

The General Employees Defined Contribution Plan is a single-employer defined contribution plan administered by the City, which covers all Agency employees hired on or after October 1, 2007, except police and fire. The Agency contribution requirement of 9% on earnings of participants was paid on a biweekly basis and amounted to \$12,103 for the current year. Employee contributions are neither required nor permitted under the plan. Employees become fully vested in the plan upon entry. These benefit provisions and all other requirements are established by City ordinance.

**NOTE 8 – PRIOR PERIOD ADJUSTMENT**

During the fiscal year ended September 30, 2015, the Agency implemented the requirements of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date".

The effect of the change in accounting principle resulted in an increase of \$7,762 in governmental activities. A reconciliation for net position from the 2014 financial statements to beginning net position as reported on the 2015 financial statements is as follows:

Beginning net position	\$ 79,356,060
Change in accounting principle, GASB 68	<u>7,762</u>
Beginning net position as restated	<u><u>\$ 79,363,822</u></u>

**NOTE 9 – FUTURE COMMITMENTS**

The Agency currently has the following future commitments included in the City's Community Investment Plan (CIP) segregated by the specific redevelopment area:

<u>CRA Area</u>	<u>Amount</u>
Central Beach	\$ 23,565,530
Northwest-Progresso-Flagler Heights	16,346,789
Central City	<u>1,314,511</u>
	<u><u>\$ 41,226,830</u></u>

**BASIC FINANCIAL STATEMENTS**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2015****NOTE 10 – ACCOUNTING AND REPORTING CHANGES****New Accounting Pronouncements**

Implemented

In June 2012, the GASB issued Statement No. 68, "Accounting and Financial Reporting for Pensions". This Statement replaces the requirements of GASB Statement No. 27 and Statement No. 50, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. GASB Statement 68 requires governments providing defined benefit pensions to recognize their long term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI). The provisions of this Statement are effective for the Agency's fiscal year ending September 30, 2015. See Note 8 – Prior Period Adjustment for financial impact.

In January 2013, the GASB issued Statement No. 69, "Government Combinations and Disposals of Government Operations". This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. This Statement requires the use of carrying values to measure the assets and liabilities in a government merger. This Statement also requires measurements of assets acquired and liabilities assumed generally to be based upon their acquisition values. This Statement also provides guidance for transfers of operations that do not constitute entire legally separate entities and in which no significant consideration is exchanged. This Statement defines the term operations for purposes of determining the applicability of this Statement and requires the use of carrying values to measure the assets and liabilities in a transfer of operations. This Statement provides accounting and financial reporting guidance for disposals of government operations that have been transferred or sold. This Statement requires disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions. The provisions of this Statement are effective for the Agency's fiscal year ended September 30, 2015, with earlier application being encouraged. It was determined that this Statement did not have an impact on the financial statements.

In November 2013, the GASB issued Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date". The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. This Statement amends paragraph 137 of Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement No. 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts. The provisions of this Statement are required to be applied simultaneously with the provisions of Statement No. 68 and are effective for the Agency's financial year ending September 30, 2015. See Note 8 – Prior Period Adjustment for financial impact.

**FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY**

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***REQUIRED  
SUPPLEMENTARY  
INFORMATION***

**FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY***REQUIRED SUPPLEMENTARY INFORMATION***BUDGETARY COMPARISON SCHEDULE**

Budget Basis

For the Year Ended September 30, 2015

	<b>SPECIAL REVENUE FUND</b>			Variance with Budget - Positive (Negative)
	Original Budget	Final Budget	Actual Amounts	
<b>REVENUES</b>				
Property Taxes	\$ 4,485,378	\$ 4,485,378	\$ 4,485,378	\$ -
Intergovernmental Revenues:				
Broward County	5,888,483	5,888,483	5,893,203	4,720
North Broward Hospital District	1,902,553	1,902,553	1,723,127	(179,426)
Children's Services Council	529,126	529,126	527,781	(1,345)
Miscellaneous:				
Interest Income	34,084	34,084	84,785	50,701
Other Miscellaneous Revenues	157,468	157,468	151,675	(5,793)
<b>Total Revenues</b>	<b>12,997,092</b>	<b>12,997,092</b>	<b>12,865,949</b>	<b>(131,143)</b>
<b>EXPENDITURES</b>				
Current:				
Economic Environment	12,264,850	12,322,363	11,205,982	1,116,381
<b>Total Expenditures</b>	<b>12,264,850</b>	<b>12,322,363</b>	<b>11,205,982</b>	<b>1,116,381</b>
<b>Excess of Revenues Over Expenditures</b>	<b>732,242</b>	<b>674,729</b>	<b>1,659,967</b>	<b>985,238</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	(12,703,470)	(12,703,470)	(12,703,470)	-
Proceeds from Debt Issuance	-	7,544,568	7,544,568	-
<b>Total Other Financing     Sources and (Uses)</b>	<b>(12,703,470)</b>	<b>(5,158,902)</b>	<b>(5,158,902)</b>	<b>-</b>
<b>Net change in Fund Balance</b>	<b>\$ (11,971,228)</b>	<b>\$ (4,484,173)</b>	<b>(3,498,935)</b>	<b>\$ 985,238</b>
<b>Fund Balance - Beginning</b>			<b>12,930,953</b>	
<b>Fund Balance - Ending</b>			<b>\$ 9,432,018</b>	
<b>Comparison of Budget to Actual Results</b>				
Statement of Revenues, Expenditures and Changes in Fund Balance - Ending Balance			<b>\$ 9,835,599</b>	
Basis of accounting adjustments				
Encumbrances as of September 30, 2015			<b>(403,581)</b>	
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual			<b>\$ 9,432,018</b>	



**CITY OF FORT LAUDERDALE, FLORIDA**

***REQUIRED SUPPLEMENTARY INFORMATION***

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**FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY***REQUIRED SUPPLEMENTARY INFORMATION***SCHEDULE OF AGENCY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY****GENERAL EMPLOYEES' RETIREMENT SYSTEM**

Last 10 Fiscal Years\*  
(Dollar amounts in thousands)

	<u>2015</u>
Agency's proportion of the net pension liability (asset)	0.91%
Agency's proportionate share of the net pension liability (asset)	\$ 526,316
Agency's covered-employee payroll	\$ 526,022
Agency's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	100.06%
Plan fiduciary net position as a percentage of the total pension liability	90.51%

\* This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

**CITY OF FORT LAUDERDALE, FLORIDA****REQUIRED SUPPLEMENTARY INFORMATION**

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**SCHEDULE OF AGENCY CONTRIBUTIONS****GENERAL EMPLOYEES' RETIREMENT SYSTEM**

Last 10 Fiscal Years\*  
(Dollar amounts in thousands)

	<u>2015</u>
Actuarially Determined Contribution	\$ 141,061
Actual Contribution	141,061
Contribution Deficiency (Excess)	<u>\$ -</u>
Agency's Covered-employee Payroll	\$ 526,022
Contributions as a Percentage of Covered-employee Payroll	26.82%

\* This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

**FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY*****REQUIRED SUPPLEMENTARY INFORMATION***

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**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION:**

## Budgetary Data

The Agency follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to August 1, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing on October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted.
3. Prior to October 1, the budget is legally enacted.
4. The level of control (level at which expenditures may not exceed budget) is the department. The City Manager is authorized to transfer budgeted amounts within departments of any fund. The City Commission must approve any revisions that alter the total expenditures of any department.
5. Annual budgets are adopted for all governmental funds except the capital project funds. The original and final budgets, as presented, include re-appropriated encumbrances of the prior year. The budgets have been adopted on a basis consistent with GAAP with the following exceptions: Budgetary expenditures include GAAP expenditures adjusted for encumbrances at September 30, 2015. Unencumbered balances of appropriations lapse at year-end.

The reported budgetary data represents the final approved budget after amendments adopted by the Agency. Individual amendments were not material in relation to the original adopted budget.

As of September 30, 2015, there were no material violations of budgetary requirements.



Crowe Horwath LLP  
Independent Member Crowe Horwath International

INDEPENDENT AUDITOR'S REPORT ON INTERNAL  
CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor,  
City Commission and City Manager  
City of Fort Lauderdale, Florida  
Fort Lauderdale, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Fort Lauderdale Community Redevelopment Agency (the Agency) as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated March 10, 2016.

### Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings as finding 2012-006 that we consider to be a significant deficiency.

**Compliance and Other Matters**

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

**The Agency's Responses to Findings**

The Agency's response to the finding identified in our audit is described in the accompanying schedule of findings. The Agency's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

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

Crowe Horwath LLP

Fort Lauderdale, Florida  
March 10, 2016

FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY  
(A Component Unit of the City of Fort Lauderdale, Florida)

SCHEDULE OF FINDINGS

YEAR ENDED SEPTEMBER 30, 2015

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

FINANCIAL STATEMENTS

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weakness identified	No
Significant deficiency identified not considered to be material weakness	Yes
Noncompliance material to financial statements noted	No

**SECTION II - FINANCIAL STATEMENT FINDINGS**

**Significant Deficiency**

2012-006           IT Controls

Criteria:           Information systems controls should reasonably assure that electronic information is not compromised by unauthorized access to systems and that access is granted only as needed for individuals within the entity to perform their assigned responsibilities while maintaining adequate segregation of duties.

Condition:         We noted the following with respect to the City's information systems:

**SumTotal (formerly Cyborg)**

During our review of SumTotal access we noted the following:

- Five employees with user accounts having access to source code and the UNIX account allowing them to both modify source code and move changes into production. In addition, there are no production monitoring controls. The lack of controls increases the risk of inappropriate or unauthorized changes being moved into production.
- Five accounting users have access to modify source code within the system. Only authorized IT employees should have the ability to modify source code.

**Cash Cloud**

We noted one individual user account and one group account that have administrator access allowing them to modify source code and move changes into production. In addition, there are no production monitoring controls in place to detect inappropriate activity. We also noted the same employee is Windows administrator and a database administrator, allowing the individual full access to the application, operating system and database.

Context:           Not applicable

Cause:             Select individuals have access to modify and move changes into production resulting in a lack of controls and segregation of duties.

Effect:            Individuals could modify source code and move into production without the proper approvals.

FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY  
(A Component Unit of the City of Fort Lauderdale, Florida)

SCHEDULE OF FINDINGS

YEAR ENDED SEPTEMBER 30, 2015

**Significant Deficiency**

2012-006 IT Controls (Continued)

Recommendation: Our recommendations are as follows:

**SumTotal (formerly Cyborg)**

We recommend that management improve the user administration process to ensure that user access is restricted to only those employees that require such access for their job responsibility and to ensure that terminated employees are removed in a timely manner. Additionally, management should implement controls to restrict users from having the ability to modify source code and move changes into production and also implement monitoring controls to track changes that are moved into production.

**Cash Cloud**

We recommend that management restrict users from having the ability to modify source code and move changes into production. Additionally, management should implement monitoring controls to track changes that are moved into production to reduce the risk of inappropriate changes going undetected.

Management's  
Response:

SumTotal - User access will be reviewed by the SumTotal Administrator and super user access (double star security) will be removed from all users except the users within IT with legitimate need for Administrative access. Other users requiring write access will be placed into security groups which enforce least privilege access dependent on specific job duties.

Sumtotal - SumTotal Administrator will be notified via electronic notification when an employee is no longer with the City of Fort Lauderdale. The notification will provide details of user access and various application accounts, including SumTotal, that need to be disabled. The electronic notification will also be provided to Human Resources, Finance, for proper deactivation of account access for separated employees. For tracking purposes of user disabled accounts an Excel spreadsheet with email for backup will be maintained by the appropriate IT staff.

Sum Total Source Code Access – A built-in HPUX utility will be configured to monitor file system changes. The Security Analysts will review the policy around the configuration and monitoring of this tool.

Cash Cloud Source Code Access – A Windows tool will be purchased, installed, and tested by September 2016 to track file system changes on these servers. The Security Analysts will review the policy around the configuration and monitoring of this tool.

Cash Cloud Source Code Access- The database will be moved to another server under the direct control of the Database Administrator. Windows Administration will be moved under the control of the Systems Administrator, leaving control of the application to the Web Engineer for modification and maintenance, adhering to proper segregation of duties.

SumTotal/Cash Cloud- All audit findings will be remediated by September 30, 2016.



To the Honorable Mayor,  
City Commission and City Manager  
City of Fort Lauderdale, Florida  
Fort Lauderdale, Florida

### **Report on the Financial Statements**

We have audited the financial statements of the Fort Lauderdale Community Redevelopment Agency (the Agency) as of and for the fiscal year ended September 30, 2015, and have issued our report thereon dated March 10, 2015.

### **Auditor's Responsibility**

We conducted our audit in accordance with United States generally accepted auditing standards, and *Government Auditing Standards* issued by the Comptroller General of the United States; and *Chapter 10.550, Rules of the Florida Auditor General*.

### **Other Reports and Schedule**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of The Financial Statements Performed in Accordance with Government Auditing Standards, the Schedule of Findings, and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 10, 2015, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

There were no prior year findings to report.

### **Official Title and Legal Authority**

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

### **Other Matters**

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations. Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

**Purpose of this Letter**

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

Crowe Horwath LLP

Fort Lauderdale, Florida  
March 10, 2015

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH  
SECTION 218.415, *FLORIDA STATUTES***

To the Honorable Mayor,  
City Commission and City Manager  
City of Fort Lauderdale, Florida  
Fort Lauderdale, Florida

We have examined the Fort Lauderdale Community Redevelopment Agency's (the "Agency") compliance with Section 218.415, *Florida Statutes*, concerning the investment of public funds during the year ended September 30, 2015. Management is responsible for the Agency's compliance with those requirements. Our responsibility is to express an opinion on the Agency's compliance based on our examination.

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

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

Crowe Horwath LLP

Fort Lauderdale, Florida  
March 10, 2016



**City of Fort Lauderdale  
Community Redevelopment Agency (CRA)**

914 Sistrunk Boulevard, Suite 200

Fort Lauderdale, FL 33311

Tel: 954-828-4514

Fax: 954-828-4500

E-mail: [npf-cra@fortlauderdale.gov](mailto:npf-cra@fortlauderdale.gov)

**Crowe Horwath LLP**

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August 3, 2016

Mr. Kirk W. Buffington, Director of Finance  
City of Fort Lauderdale  
100 North Andrews Avenue  
Fort Lauderdale, Florida 33301

This letter confirms the arrangements for Crowe Horwath LLP ("Crowe" or "us" or "we" or "our") to provide the professional services discussed in this letter to the City of Fort Lauderdale ("the City" or "you", "your" or "Entity" or "Client") for the year ending September 30, 2016. The attached Crowe Engagement Terms is an integral part of this letter, and its terms are incorporated herein.

## AUDIT SERVICES

### Our Responsibilities

We will audit and report on the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, including the individual fund financial statements of City of Fort Lauderdale Community Redevelopment Agency ("CRA") which collectively comprise the basic financial statements of the City for the period indicated. We will also audit and report on the Schedule of Large User Wastewater Treatment Rate Computation for the year ending September 30, 2016.

In addition to our report on the financial statements, we plan to evaluate the presentation of the following supplementary information in relation to the financial statements as a whole, and to report on whether this supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

- Combining and Individual Fund Financial Statements and Schedules
- Schedule of Expenditures of Federal Awards and State Financial Assistance

In addition to our report on the financial statements, we also plan to perform specified procedures in order to describe in our report whether the following required supplementary information is presented in accordance with applicable guidelines. However, we will not express an opinion or provide any assurance on this information due to our limited procedures.

- Management's Discussion and Analysis
- Budgetary Comparison Schedules
- Schedule of Funding Progress
- Schedule of Changes in the Net Pension Liability and Related Ratios
- Schedule of Contributions

The document will also include the following additional information that will not be subjected to the auditing procedures applied in our audit of the financial statements, and for which our auditor's report will disclaim an opinion:

- Introductory Section of the Comprehensive Annual Financial Report
- Statistical Section of the Comprehensive Annual Financial Report



Mr. Kirk W. Buffington, Director of Finance  
City of Fort Lauderdale  
August 3, 2016  
Page 2

The objective of the audit is the expression of an opinion on the financial statements. We will plan and perform the audit 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 audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550 Rules of the Florida Auditor General. Those standards require that we obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement whether caused by error or fraud, and that we report on the Schedule of Expenditures of Federal Awards and State Financial Assistance (as noted above), and on your compliance with Federal and State statutes, regulations, and the terms and conditions of Federal awards and State financial assistance and on its internal controls as required for a Single Audit. Because of inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with applicable standards. An audit is not designed to detect error or fraud that is immaterial to the financial statements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks that the financial statements could be misstated by an amount we believe would influence the financial statement users. 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.

In making our risk assessments, we consider internal control relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. However, we will communicate in writing to those charged with governance and management concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit. We will communicate to management other deficiencies in internal control identified during the audit that have not been communicated to management by other parties and that, in our professional judgment, are of sufficient importance to merit management's attention. We will also communicate certain matters related to the conduct of the audit to those charged with governance, including (1) fraud involving senior management, and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements, (2) illegal acts that come to our attention (unless they are clearly inconsequential) (3) disagreements with management and other significant difficulties encountered in performing the audit and (4) various matters related to the City's accounting policies and financial statements. Our engagement is not designed to address legal or regulatory matters, which matters should be discussed by you with your legal counsel.

We expect to issue a written report upon completion of our audit of the financial statements. Our report will be addressed to the City Commission through the Audit Advisory Board of the City. Circumstances may arise in which it is necessary for us to modify our opinion, add an emphasis of matter or other matter paragraph, or withdraw from the engagement.

In addition to our report on the financial statements and supplemental information, we plan to issue the following reports:

- Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* — The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.
- Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control Over Compliance -- The purpose of this report on internal control over



Mr. Kirk W. Buffington, Director of Finance  
City of Fort Lauderdale  
August 3, 2016  
Page 3

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

We will also perform tests of controls including testing underlying transactions, as required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, 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 of your major federal awards programs. We will determine major programs in accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*. Our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed. We will inform you of any deficiencies or other matters involving internal control, if any, as required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will also perform tests of your compliance with applicable laws, regulations, contracts and grants. However, because of the concept of reasonable assurance and because we will not perform a detailed examination of all transactions, there is a risk that material errors, irregularities, or illegal acts, including fraud or defalcations, may exist and not be detected by us. The objective of our audit of compliance relative to the financial statements will not be to provide an opinion on overall compliance with such provisions, and we will not express such an opinion. We will advise you, however, of any matters of that nature that come to our attention, unless they are clearly inconsequential.

The Uniform Guidance and Chapter 10.550, *Rules of the Auditor General* requires that we plan and perform the audit to obtain reasonable assurance about whether you have complied with certain provisions of laws, regulations, contracts and grants. Our procedures will consist of the applicable procedures described in the United States Office of Management and Budget (OMB) Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of your major programs. The purpose of our audit will be to express an opinion on your compliance with requirements applicable to major Federal award programs. Because an audit is designed to provide reasonable assurance, but not absolute assurance, the audit is not designed to detect immaterial violations or instances of noncompliance.

Our audit and work product are intended for the benefit and use of the City only. The audit will not be planned or conducted in contemplation of reliance by any other party or with respect to any specific transaction and is not intended to benefit or influence any other party. Therefore, items of possible interest to a third party may not be specifically addressed or matters may exist that could be assessed differently by a third party.

The working papers for this engagement are the property of Crowe and constitute confidential information. However, we may be requested to make certain working papers available to your oversight agency or grantors pursuant to authority given to them by law, regulation, or contract. If requested, access to such working papers will be provided under the supervision of our personnel. Furthermore, upon request, we may provide photocopies of selected working papers to your oversight agency or grantors. The working papers for this engagement will be retained for a minimum of three years after the date our report is issued or for any additional period requested by the oversight agency or pass-through entity. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party contesting the audit finding for guidance prior to destroying the working papers.

*Government Auditing Standards* require that we provide you with a copy of our most recent peer review report, which accompanies this letter.

Mr. Kirk W. Buffington, Director of Finance  
City of Fort Lauderdale  
August 3, 2016  
Page 4

### The City Responsibilities

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud. The City's management is also responsible for complying with applicable laws, regulations, contracts and grants and such responsibility extends to identifying the requirements and designing internal control policies and procedures to provide reasonable assurance that compliance is achieved. Additionally, as required by the Uniform Guidance, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings, which should be available for our review, and a corrective action plan.

Management has the responsibility to adopt sound accounting policies, maintain an adequate and efficient accounting system, safeguard assets, and design and implement programs and controls to prevent and detect fraud. Management's judgments are typically based on its knowledge and experience about past and current events and its expected courses of action. Management's responsibility for financial reporting includes establishing a process to prepare the accounting estimates included in the financial statements.

Management is responsible for providing to us, on a timely basis, all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters. Management is also responsible for providing such other additional information we may request for the purpose of the audit, and unrestricted access to persons within the City from whom we determine it necessary to obtain audit evidence. Additionally, those charged with governance are responsible for informing us of their views about the risks of fraud within the City, and their knowledge of any fraud or suspected fraud affecting the City.

Management is responsible for adjusting the financial statements to correct material misstatements related to accounts or disclosures. As part of our audit process, we will request from management written confirmation concerning representations made to us in connection with the audit, including that the effects of any uncorrected misstatements aggregated by us during the audit are immaterial, both individually and in the aggregate, to the financial statements and to compliance with the requirements of its Federal programs and State projects. Management acknowledges the importance of management's representations and responses to our inquiries, and that they will be utilized as part of the evidential matter we will rely on in forming our opinion. Because of the importance of management's representations to an effective audit, you agree to release Crowe and its personnel from any liability and costs relating to our services under this letter attributable to any misrepresentations by management.

Management is responsible for the preparation of the supplementary information identified above in accordance with the applicable criteria. As part of our audit process, we will request from management certain written representations regarding management's responsibilities in relation to the supplementary information presented, including but not limited to its fair presentation in accordance with the applicable criteria, the method of measurement and presentation and any significant assumptions or interpretations underlying the supplementary information. In addition, it is management's responsibility to include the auditor's report on supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information. It is also management's responsibility to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the City of the supplementary information and the auditor's report thereon.

Management is responsible for the preparation of the required supplementary information identified above in accordance with the applicable guidelines. We will request from management certain written representations regarding management's responsibilities in relation to the required supplementary information presented, including but not limited to whether it has been measured and presented in accordance with prescribed guidelines, the method of measurement and presentation and any significant assumptions or interpretations underlying the supplementary information.



Mr. Kirk W. Buffington, Director of Finance  
 City of Fort Lauderdale  
 August 3, 2016  
 Page 5

At the conclusion of the engagement, it is management’s responsibility to 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 designated federal clearinghouse and, if appropriate, to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of thirty days after receipt of the auditor’s reports or nine months after the end of the audit period.

OTHER SERVICES

You agree to: assume all management responsibilities including making all management decisions; oversee the service by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services.

Standard billing rates to be used for any requested other services are as follows:

<u>Audit</u>	<u>IT Consultant</u>
Partner - \$440	Partner - \$440
Manager - \$250	Manager - \$250
Senior - \$155	Analyst - \$155
Staff - \$120	

FEES

Our fees, including out-of-pocket expenses, are outlined below. Our invoices are due and payable upon receipt. Invoices that are not paid within 45 days of receipt are subject to a monthly interest charge in accordance with the Florida Local Government Prompt Payment Act, which we may elect to waive at our sole discretion. In litigation regarding the payment of fees following any ensuing appeal the non-prevailing party agrees to pay the prevailing party’s reasonable attorneys’ fees. If any amounts invoiced remain unpaid 45 days after the invoice date, you agree that Crowe may, in its sole discretion, cease work until all such amounts are paid or terminate this engagement.

Audit of the City’s financial statements for the year ending September 30, 2016	\$206,000
Audit of the City’s CRA financial statements for the year ending September 30, 2016	\$ 3,000
Audit of the Schedule of Large user Wastewater Treatment Rate Computation for the year ended September 30, 2016	\$ 2,000
Federal and State Single Audit the year ending September 30, 2016	\$ 5,200 per program

Circumstances may arise under which we must perform additional work and, thus, require additional billings for our services. Examples of such circumstances include, but are not limited to:

- Changing audit requirements
- New professional standards or regulatory requirements
- New financial statement disclosures
- Work caused due to the identification of, and management’s correction of, inappropriate application of accounting pronouncements
- Erroneous or incomplete accounting records
- New or unusual transactions
- Change in your organizational structure or size due to merger and acquisition activity or other events

Mr. Kirk W. Buffington, Director of Finance  
City of Fort Lauderdale  
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- Change in your controls
- Agreed-upon level of preparation and assistance from your personnel not provided
- Failure of your staff to prepare information in a timely manner
- Numerous revisions to your information
- Lack of availability of appropriate City personnel during audit fieldwork.

Additionally, to accommodate requests to reschedule audit fieldwork without reasonable notice, additional billings for our services could be required, and our assigned staffing and ability to meet agreed-upon deadlines could be impacted.

Our fee assumes that we will be provided with auditable trial balances for all funds at year end, that all bank accounts and investment accounts will be reconciled through the end of the year being audited to the trial balances, that interfund and transfer accounts will balance, that subsidiary ledgers will reconcile to the general ledger and that beginning fund equity amounts will be reconcilable to prior year audited ending fund equity. We assume that the City will cooperate with our requests for information such as explanations of account activity.

Additionally, we assume the City will provide a copy of the capital assets ledger including current year additions and dispositions and depreciation by functional expense. We assume that requested records such as invoices, contracts, grant agreements and supporting documentation will be located and provided to us. We also assume the City will prepare confirmation letters, and the draft CAFR including the Introductory Section, the MD&A section and the Statistical section of the report.

Our fee does not include implementation of any other future accounting or auditing pronouncements and/or government requirements that may change, thus, the scope or amount of auditing necessary to complete our engagements may increase beyond what is currently anticipated. Should such events occur, we would present you with our estimate of any possible increase prior to beginning our audit for the given year. An equitable adjustment in the proposed fee will be negotiated if the cost of time required for performance of the audit service is increased or decreased pursuant to a change in scope of the audit requested by the City or required by State or Federal regulations.

When we become aware of circumstances which impact the amount or scheduling of our work, we will issue, for your approval, a formal change order detailing the reason and the anticipated impact of the change.

#### OTHER MATTERS

By your signature below, you confirm that the City, through its City Commission, has expressly authorized you to enter into this Agreement with us on behalf of, and to bind the City.

The parties agree that Crowe shall not be liable for or subject to non-monetary or equitable relief of any sort or any other remedy that (i) is inconsistent with the Agreement to which this engagement letter is attached, or (ii) would impose liability inconsistent with applicable professional standards. The parties agree that any liability of Crowe shall not include punitive damages or any other damages not measured by the prevailing party's actual direct damages, and the City expressly waives any right to obtain such damages from Crowe.

If a dispute is not resolved by negotiation, the parties agree to waive a jury trial to facilitate judicial resolution and save time and expense. Each party has sought review of this waiver by its counsel. This waiver is irrevocable, may not be modified either orally or in writing, and shall apply to any amendments, renewals, or modifications. In the event of litigation, this Agreement may be filed as written consent to a bench trial.

Notwithstanding anything to the contrary in the Agreement, no provision in this Agreement (including without limitation the Indemnification provision of the Agreement) shall be construed to require performance or require Crowe to assume any obligation inconsistent with any applicable professional rules or standards, and no provision shall be given effect if such effect would require performance or require Crowe to assume any obligation inconsistent with any applicable professional or standards or which would impair Crowe's independence as that term is understood under professional rules and standards relating to audit and/or accounting services. In addition, the management of the City is responsible for the financial statements,



Mr. Kirk W. Buffington, Director of Finance  
City of Fort Lauderdale  
August 3, 2016  
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including selecting and applying the accounting policies. Management is also responsible for establishing and maintaining effective internal control that will, among other things, permit the preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America.

The required insurance certificates have been submitted to the City and have been approved as meeting the Agreement insurance requirements.

This engagement letter and the contract and all attachments to the contract reflect the entire Agreement between us relating to the services set forth in this letter.

\* \* \* \* \*

We are pleased to have this opportunity to serve you, and we look forward to a continuing relationship. If the terms of this letter and the attached Crowe Engagement Terms are acceptable to you, please sign below and return a copy of this letter at your earliest convenience. If you have any questions or concerns, please contact John Weber at 813.209.2585.

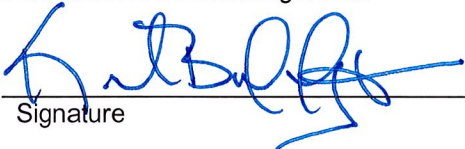
**ACCEPTANCE:**

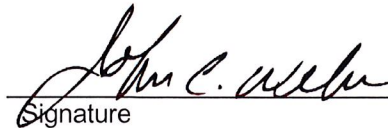
I have reviewed the arrangements outlined above and in the attached "Crowe Engagement Terms," and I accept on behalf of the City the terms and conditions as stated.

IN WITNESS WHEREOF, City and Crowe have duly executed this engagement letter as of the date below.

City of Fort Lauderdale  
Authorized Representative of the City of  
Fort Lauderdale's Management

Crowe Horwath LLP

  
\_\_\_\_\_  
Signature

  
\_\_\_\_\_  
Signature

KIRK W. BUFFINGTON, CPPO, C.P.M., MBA  
\_\_\_\_\_  
Printed Name

John Weber  
\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

Partner  
\_\_\_\_\_  
Title

8/10/16  
\_\_\_\_\_  
Date

August 3, 2016  
\_\_\_\_\_  
Date

### **Crowe Engagement Terms**

Crowe wants Client to understand the terms under which Crowe provides its services to Client and the basis under which Crowe determines its fees. These terms are part of the Agreement and apply to all services described in the Agreement as well as all other services provided to Client (collectively, the "Services"), unless and until a separate written agreement is executed by the parties for separate services. Crowe specifically notes that no advice Crowe provides should be construed to be investment advice.

AFFILIATES – Crowe Horwath LLP is an independent member of Crowe Horwath International, a Swiss verein. Each member firm of Crowe Horwath International is a separate and independent legal entity. Crowe Horwath LLP and its affiliates are not responsible or liable for any acts or omissions of Crowe Horwath International or any other member of Crowe Horwath International and specifically disclaim any and all responsibility or liability for acts or omissions of Crowe Horwath International or any other member of Crowe Horwath International. Crowe Horwath International does not render any professional services and does not have an ownership or partnership interest in Crowe Horwath LLP. Crowe Horwath International and its other member firms are not responsible or liable for any acts or omissions of Crowe Horwath LLP and specifically disclaim any and all responsibility or liability for acts or omissions of Crowe Horwath LLP.

## Fiscal Year 2016 Financial Audit Proposed Timeline

### City CAFR

- 6/20/16 - 7/1/16 - Crowe to conduct interim IT fieldwork
- 9/19/16 - 9/30/16 - Crowe to conduct interim audit procedures
- 10/24/16 - 11/4/16 – MSL to conduct single audit testing
- 1/9/17 - 2/24/17 - Crowe to conduct year-end fieldwork for CAFR
- 1/27/17 - Finance to provide draft basic financial schedules to Crowe/AuAB
- 2/6/17 or prior - Finance to provide complete CAFR to Crowe
- 2/28/17 - CAFR presentation to AuAB
- 3/7/17 - CAFR presentation to Commission

### Community Redevelopment Agency

- 11/21/2016 – CRA to provide final trial balance to Crowe
- 11/7/16 – 12/5/16 – Crowe to conduct year-end fieldwork
- 2/28/17 – Crowe to present CRA audit to AuAB
- 3/7/17 – Crowe to present CRA audit to Commission

### General Employees' Retirement System

- 11/21/2016 – GERS to provide final trial balance to Crowe
- 11/7/16 – 12/5/16 – Crowe to conduct year-end fieldwork
- 12/2/2016 – GERS to provide Crowe with GASB 72 investment information
- 12/12/2016 – GERS to provide statement of fiduciary net position and statement of changes in fiduciary net position as well as the 10/1/2015 – 9/30/20156 DROP reconciliation to actuary to complete GASB 67
- 1/12/2017 – Actuary to provide GASB 67 report
- 1/26/2017 – Crowe to present draft financial statements to the Audit Committee
- 2/2/2017 – Crowe to present final financial statements to the Board of Trustees

**CITY OF FORT LAUDERDALE  
GENERAL CONDITIONS**

These instructions are standard for all contracts for commodities or services issued through the City of Fort Lauderdale Procurement Services Division. The City may delete, supersede, or modify any of these standard instructions for a particular contract by indicating such change in the Invitation to Bid (ITB) Special Conditions, Technical Specifications, Instructions, Proposal Pages, Addenda, and Legal Advertisement. In this general conditions document, Invitation to Bid (ITB), Request for Qualifications (RFQ), and Request for Proposal (RFP) are interchangeable.

**PART I BIDDER PROPOSAL PAGE(S) CONDITIONS:**

- 1.01 BIDDER ADDRESS:** The City maintains automated vendor address lists that have been generated for each specific Commodity Class item through our bid issuing service, BidSync. Notices of Invitations to Bid (ITB'S) are sent by e-mail to the selection of bidders who have fully registered with BidSync or faxed (if applicable) to every vendor on those lists, who may then view the bid documents online. Bidders who have been informed of a bid's availability in any other manner are responsible for registering with BidSync in order to view the bid documents. There is no fee for doing so. If you wish bid notifications be provided to another e-mail address or fax, please contact BidSync. If you wish purchase orders sent to a different address, please so indicate in your bid response. If you wish payments sent to a different address, please so indicate on your invoice.
- 1.02 DELIVERY:** Time will be of the essence for any orders placed as a result of this ITB. The City reserves the right to cancel any orders, or part thereof, without obligation if delivery is not made in accordance with the schedule specified by the Bidder and accepted by the City.
- 1.03 PACKING SLIPS:** It will be the responsibility of the awarded Contractor, to attach all packing slips to the OUTSIDE of each shipment. Packing slips must provide a detailed description of what is to be received and reference the City of Fort Lauderdale purchase order number that is associated with the shipment. Failure to provide a detailed packing slip attached to the outside of shipment may result in refusal of shipment at Contractor's expense.
- 1.04 PAYMENT TERMS AND CASH DISCOUNTS:** Payment terms, unless otherwise stated in this ITB, will be considered to be net 45 days after the date of satisfactory delivery at the place of acceptance and receipt of correct invoice at the office specified, whichever occurs last. Bidder may offer cash discounts for prompt payment but they will not be considered in determination of award. If a Bidder offers a discount, it is understood that the discount time will be computed from the date of satisfactory delivery, at the place of acceptance, and receipt of correct invoice, at the office specified, whichever occurs last.
- 1.05 TOTAL BID DISCOUNT:** If Bidder offers a discount for award of all items listed in the bid, such discount shall be deducted from the total of the firm net unit prices bid and shall be considered in tabulation and award of bid.
- 1.06 BIDS FIRM FOR ACCEPTANCE:** Bidder warrants, by virtue of bidding, that the bid and the prices quoted in the bid will be firm for acceptance by the City for a period of one hundred twenty (120) days from the date of bid opening unless otherwise stated in the ITB.
- 1.07 VARIANCES:** For purposes of bid evaluation, Bidder's must indicate any variances, no matter how slight, from ITB General Conditions, Special Conditions, Specifications or Addenda in the space provided in the ITB. No variations or exceptions by a Bidder will be considered or deemed a part of the bid submitted unless such variances or exceptions are listed in the bid and referenced in the space provided on the bidder proposal pages. If variances are not stated, or referenced as required, it will be assumed that the product or service fully complies with the City's terms, conditions, and specifications.
- By receiving a bid, City does not necessarily accept any variances contained in the bid. All variances submitted are subject to review and approval by the City. If any bid contains material variances that, in the City's sole opinion, make that bid conditional in nature, the City reserves the right to reject the bid or part of the bid that is declared, by the City as conditional.
- 1.08 NO BIDS:** If you do not intend to bid please indicate the reason, such as insufficient time to respond, do not offer product or service, unable to meet specifications, schedule would not permit, or any other reason, in the space provided in this ITB. Failure to bid or return no bid comments prior to the bid due and opening date and time, indicated in this ITB, may result in your firm being deleted from our Bidder's registration list for the Commodity Class Item requested in this ITB.
- 1.09 MINORITY AND WOMEN BUSINESS ENTERPRISE PARTICIPATION AND BUSINESS DEFINITIONS:** The City of Fort Lauderdale wants to increase the participation of Minority Business Enterprises (MBE), Women Business Enterprises (WBE), and Small Business Enterprises (SBE) in its procurement activities. If your firm qualifies in accordance with the below definitions please indicate in the space provided in this ITB.

Minority Business Enterprise (MBE) "A Minority Business" is a business enterprise that is owned or controlled by one or more socially or economically disadvantaged persons. Such disadvantage may arise from cultural, racial, chronic economic

circumstances or background or other similar cause. Such persons include, but are not limited to: Blacks, Hispanics, Asian Americans, and Native Americans.

The term "Minority Business Enterprise" means a business at least 51 percent of which is owned by minority group members or, in the case of a publicly owned business, at least 51 percent of the stock of which is owned by minority group members. For the purpose of the preceding sentence, minority group members are citizens of the United States who include, but are not limited to: Blacks, Hispanics, Asian Americans, and Native Americans.

Women Business Enterprise (WBE) a "Women Owned or Controlled Business" is a business enterprise at least 51 percent of which is owned by females or, in the case of a publicly owned business, at least 51 percent of the stock of which is owned by females.

Small Business Enterprise (SBE) "Small Business" means a corporation, partnership, sole proprietorship, or other legal entity formed for the purpose of making a profit, which is independently owned and operated, has either fewer than 100 employees or less than \$1,000,000 in annual gross receipts.

BLACK, which includes persons having origins in any of the Black racial groups of Africa.

WHITE, which includes persons whose origins are Anglo-Saxon and Europeans and persons of Indo-European decent including Pakistani and East Indian.

HISPANIC, which includes persons of Mexican, Puerto Rican, Cuban, Central and South American, or other Spanish culture or origin, regardless of race.

NATIVE AMERICAN, which includes persons whose origins are American Indians, Eskimos, Aleuts, or Native Hawaiians.

ASIAN AMERICAN, which includes persons having origin in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent, or the Pacific Islands.

#### 1.10 **MINORITY-WOMEN BUSINESS ENTERPRISE PARTICIPATION**

It is the desire of the City of Fort Lauderdale to increase the participation of minority (MBE) and women-owned (WBE) businesses in its contracting and procurement programs. While the City does not have any preference or set aside programs in place, it is committed to a policy of equitable participation for these firms. Proposers are requested to include in their proposals a narrative describing their past accomplishments and intended actions in this area. If proposers are considering minority or women owned enterprise participation in their proposal, those firms, and their specific duties have to be identified in the proposal. If a proposer is considered for award, he or she will be asked to meet with City staff so that the intended MBE/WBE participation can be formalized and included in the subsequent contract.

#### 1.11 **SCRUTINIZED COMPANIES**

Subject to *Odebrecht Construction, Inc., v. Prasad*, 876 F.Supp.2d 1305 (S.D. Fla. 2012), *affirmed*, *Odebrecht Construction, Inc., v. Secretary, Florida Department of Transportation*, 715 F.3d 1268 (11th Cir. 2013), with regard to the "Cuba Amendment," the Contractor certifies that it is not on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List or the Scrutinized Companies that Boycott Israel List created pursuant to Section 215.4725, Florida Statutes (2016), that it is not engaged in a boycott of Israel, and that it does not have business operations in Cuba or Syria, as provided in section 287.135, Florida Statutes (2016), as may be amended or revised. The City may terminate this Agreement at the City's option if the Contractor is found to have submitted a false certification as provided under subsection (5) of section 287.135, Florida Statutes (2016), as may be amended or revised, or been placed on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List or the Scrutinized Companies that Boycott Israel List created pursuant to Section 215.4725, Florida Statutes (2016), or is engaged in a boycott of Israel or has been engaged in business operations in Cuba or Syria, as defined in Section 287.135, Florida Statutes (2016), as may be amended or revised.

#### 1.12 **DEBARRED OR SUSPENDED BIDDERS OR PROPOSERS**

The bidder or proposer certifies, by submission of a response to this solicitation, that neither it nor its principals and subcontractors are presently debarred or suspended by any Federal department or agency.

#### **Part II DEFINITIONS/ORDER OF PRECEDENCE:**

- 2.01 BIDDING DEFINITIONS** The City will use the following definitions in its general conditions, special conditions, technical specifications, instructions to bidders, addenda and any other document used in the bidding process:  
INVITATION TO BID (ITB) when the City is requesting bids from qualified Bidders.

REQUEST FOR PROPOSALS (RFP) when the City is requesting proposals from qualified Proposers.

REQUEST FOR QUALIFICATIONS (RFQ) when the City is requesting qualifications from qualified Proposers.

BID – a price and terms quote received in response to an ITB.

PROPOSAL – a proposal received in response to an RFP.

BIDDER – Person or firm submitting a Bid.

PROPOSER – Person or firm submitting a Proposal.

RESPONSIVE BIDDER – A person whose bid conforms in all material respects to the terms and conditions included in the ITB.

RESPONSIBLE BIDDER – A person who has the capability in all respects to perform in full the contract requirements, as stated in the ITB, and the integrity and reliability that will assure good faith performance.

FIRST RANKED PROPOSER – That Proposer, responding to a City RFP, whose Proposal is deemed by the City, the most advantageous to the City after applying the evaluation criteria contained in the RFP.

SELLER – Successful Bidder or Proposer who is awarded a Purchase Order or Contract to provide goods or services to the City.

CONTRACTOR – Successful Bidder or Proposer who is awarded a Purchase Order, award Contract, Blanket Purchase Order agreement, or Term Contract to provide goods or services to the City.

CONTRACT – A deliberate verbal or written agreement between two or more competent parties to perform or not to perform a certain act or acts, including all types of agreements, regardless of what they may be called, for the procurement or disposal of equipment, materials, supplies, services or construction.

CONSULTANT – Successful Bidder or Proposer who is awarded a contract to provide professional services to the City.

The following terms may be used interchangeably by the City: ITB and/or RFP; Bid or Proposal; Bidder, Proposer, or Seller; Contractor or Consultant; Contract, Award, Agreement or Purchase Order.

- 2.02 SPECIAL CONDITIONS:** Any and all Special Conditions contained in this ITB that may be in variance or conflict with these General Conditions shall have precedence over these General Conditions. If no changes or deletions to General Conditions are made in the Special Conditions, then the General Conditions shall prevail in their entirety,

### **PART III BIDDING AND AWARD PROCEDURES:**

- 3.01 SUBMISSION AND RECEIPT OF BIDS:** To receive consideration, bids must be received prior to the bid opening date and time. Unless otherwise specified, Bidders should use the proposal forms provided by the City. These forms may be duplicated, but failure to use the forms may cause the bid to be rejected. Any erasures or corrections on the bid must be made in ink and initialed by Bidder in ink. All information submitted by the Bidder shall be printed, typewritten or filled in with pen and ink. Bids shall be signed in ink. Separate bids must be submitted for each ITB issued by the City in separate sealed envelopes properly marked. When a particular ITB or RFP requires multiple copies of bids or proposals they may be included in a single envelope or package properly sealed and identified. Only send bids via facsimile transmission (FAX) if the ITB specifically states that bids sent via FAX will be considered. If such a statement is not included in the ITB, bids sent via FAX will be rejected. Bids will be publicly opened in the Procurement Office, or other designated area, in the presence of Bidders, the public, and City staff. Bidders and the public are invited and encouraged to attend bid openings. Bids will be tabulated and made available for review by Bidder's and the public in accordance with applicable regulations.
- 3.02 MODEL NUMBER CORRECTIONS:** If the model number for the make specified in this ITB is incorrect, or no longer available and replaced with an updated model with new specifications, the Bidder shall enter the correct model number on the bidder proposal page. In the case of an updated model with new specifications, Bidder shall provide adequate information to allow the City to determine if the model bid meets the City's requirements.
- 3.03 PRICES QUOTED:** Deduct trade discounts, and quote firm net prices. Give both unit price and extended total. In the case of a discrepancy in computing the amount of the bid, the unit price quoted will govern. All prices quoted shall be F.O.B. destination, freight prepaid (Bidder pays and bears freight charges, Bidder owns goods in transit and files any claims), unless otherwise stated in Special Conditions. Each item must be bid separately. No attempt shall be made to tie any item or items contained in the ITB with any other business with the City.
- 3.04 TAXES:** The City of Fort Lauderdale is exempt from Federal Excise and Florida Sales taxes on direct purchase of tangible property. Exemption **number for EIN is 59-6000319, and State Sales tax exemption number is 85-8013875578C-1.**
- 3.05 WARRANTIES OF USAGE:** Any quantities listed in this ITB as estimated or projected are provided for tabulation and information purposes only. No warranty or guarantee of quantities is given or implied. It is understood that the Contractor will furnish the City's needs as they arise.
- 3.06 APPROVED EQUAL:** When the technical specifications call for a brand name, manufacturer, make, model, or vendor catalog number with acceptance of APPROVED EQUAL, it shall be for the purpose of establishing a level of quality and features desired and acceptable to the City. In such cases, the City will be receptive to any unit that would be considered by qualified City personnel as an approved equal. In that the specified make and model represent a level of quality and features desired by the City, the Bidder must state clearly in the bid any variance from those specifications. It is the Bidder's responsibility to provide adequate information, in the bid, to enable the City to ensure that the bid meets the required criteria. If adequate information is not submitted with the bid, it may be rejected. The City will be the sole judge in determining if the item bid qualifies as an approved equal.



- 3.07 MINIMUM AND MANDATORY TECHNICAL SPECIFICATIONS:** The technical specifications may include items that are considered minimum, mandatory, or required. If any Bidder is unable to meet or exceed these items, and feels that the technical specifications are overly restrictive, the bidder must notify the Procurement Services Division immediately. Such notification must be received by the Procurement Services Division prior to the deadline contained in the ITB, for questions of a material nature, or prior to five (5) days before bid due and open date, whichever occurs first. If no such notification is received prior to that deadline, the City will consider the technical specifications to be acceptable to all bidders.
- 3.08 MISTAKES:** Bidders are cautioned to examine all terms, conditions, specifications, drawings, exhibits, addenda, delivery instructions and special conditions pertaining to the ITB. Failure of the Bidder to examine all pertinent documents shall not entitle the bidder to any relief from the conditions imposed in the contract.
- 3.09 SAMPLES AND DEMONSTRATIONS:** Samples or inspection of product may be requested to determine suitability. Unless otherwise specified in Special Conditions, samples shall be requested after the date of bid opening, and if requested should be received by the City within seven (7) working days of request. Samples, when requested, must be furnished free of expense to the City and if not used in testing or destroyed, will upon request of the Bidder, be returned within thirty (30) days of bid award at Bidder's expense. When required, the City may request full demonstrations of units prior to award. When such demonstrations are requested, the Bidder shall respond promptly and arrange a demonstration at a convenient location. Failure to provide samples or demonstrations as specified by the City may result in rejection of a bid.
- 3.10 LIFE CYCLE COSTING:** If so specified in the ITB, the City may elect to evaluate equipment proposed on the basis of total cost of ownership. In using Life Cycle Costing, factors such as the following may be considered: estimated useful life, maintenance costs, cost of supplies, labor intensity, energy usage, environmental impact, and residual value. The City reserves the right to use those or other applicable criteria, in its sole opinion that will most accurately estimate total cost of use and ownership.
- 3.11 BIDDING ITEMS WITH RECYCLED CONTENT:** In addressing environmental concerns, the City of Fort Lauderdale encourages Bidders to submit bids or alternate bids containing items with recycled content. When submitting bids containing items with recycled content, Bidder shall provide documentation adequate for the City to verify the recycled content. The City prefers packaging consisting of materials that are degradable or able to be recycled. When specifically stated in the ITB, the City may give preference to bids containing items manufactured with recycled material or packaging that is able to be recycled.
- 3.12 USE OF OTHER GOVERNMENTAL CONTRACTS:** The City reserves the right to reject any part or all of any bids received and utilize other available governmental contracts, if such action is in its best interest.
- 3.13 QUALIFICATIONS/INSPECTION:** Bids will only be considered from firms normally engaged in providing the types of commodities/services specified herein. The City reserves the right to inspect the Bidder's facilities, equipment, personnel, and organization at any time, or to take any other action necessary to determine Bidder's ability to perform. The Procurement Director reserves the right to reject bids where evidence or evaluation is determined to indicate inability to perform.
- 3.14 BID SURETY:** If Special Conditions require a bid security, it shall be submitted in the amount stated. A bid security can be in the form of a bid bond or cashier's check. Bid security will be returned to the unsuccessful bidders as soon as practicable after opening of bids. Bid security will be returned to the successful bidder after acceptance of the performance bond, if required; acceptance of insurance coverage, if required; and full execution of contract documents, if required; or conditions as stated in Special Conditions.
- 3.15 PUBLIC RECORDS/TRADE SECRETS/COPYRIGHT:** The Proposer's response to the RFP is a public record pursuant to Florida law, which is subject to disclosure by the City under the State of Florida Public Records Law, Florida Statutes Chapter 119.07 ("Public Records Law"). The City shall permit public access to all documents, papers, letters or other material submitted in connection with this RFP and the Contract to be executed for this RFP, subject to the provisions of Chapter 119.07 of the Florida Statutes.

Any language contained in the Proposer's response to the RFP purporting to require confidentiality of any portion of the Proposer's response to the RFP, except to the extent that certain information is in the City's opinion a Trade Secret pursuant to Florida law, shall be void. If a Proposer submits any documents or other information to the City which the Proposer claims is Trade Secret information and exempt from Florida Statutes Chapter 119.07 ("Public Records Laws"), the Proposer shall clearly designate that it is a Trade Secret and that it is asserting that the document or information is exempt. The Proposer must specifically identify the exemption being claimed under Florida Statutes 119.07. The City shall be the final arbiter of whether any information contained in the Proposer's response to the RFP constitutes a Trade Secret. The city's determination of whether an exemption applies shall be final, and the proposer agrees to defend, indemnify, and hold harmless the city and the city's officers, employees, and agent, against any loss or damages incurred by any person or entity as a result of the city's treatment of records as public records. Proposals purporting to be subject to copyright protection in full or in part will be rejected.

EXCEPT FOR CLEARLY MARKED PORTIONS THAT ARE BONA FIDE TRADE SECRETS PURSUANT TO FLORIDA LAW, DO NOT MARK YOUR RESPONSE TO THE RFP AS PROPRIETARY OR CONFIDENTIAL. DO NOT MARK YOUR RESPONSE TO THE RFP OR ANY PART THEREOF AS COPYRIGHTED.

- 3.16 PROHIBITION OF INTEREST:** No contract will be awarded to a bidding firm who has City elected officials, officers or

employees affiliated with it, unless the bidding firm has fully complied with current Florida State Statutes and City Ordinances relating to this issue. Bidders must disclose any such affiliation. Failure to disclose any such affiliation will result in disqualification of the Bidder and removal of the Bidder from the City's bidder lists and prohibition from engaging in any business with the City.

- 3.17 RESERVATIONS FOR AWARD AND REJECTION OF BIDS:** The City reserves the right to accept or reject any or all bids, part of bids, and to waive minor irregularities or variations to specifications contained in bids, and minor irregularities in the bidding process. The City also reserves the right to award the contract on a split order basis, lump sum basis, individual item basis, or such combination as shall best serve the interest of the City. The City reserves the right to make an award to the responsive and responsible bidder whose product or service meets the terms, conditions, and specifications of the ITB and whose bid is considered to best serve the City's interest. In determining the responsiveness of the offer and the responsibility of the Bidder, the following shall be considered when applicable: the ability, capacity and skill of the Bidder to perform as required; whether the Bidder can perform promptly, or within the time specified, without delay or interference; the character, integrity, reputation, judgment, experience and efficiency of the Bidder; the quality of past performance by the Bidder; the previous and existing compliance by the Bidder with related laws and ordinances; the sufficiency of the Bidder's financial resources; the availability, quality and adaptability of the Bidder's supplies or services to the required use; the ability of the Bidder to provide future maintenance, service or parts; the number and scope of conditions attached to the bid.

If the ITB provides for a contract trial period, the City reserves the right, in the event the selected bidder does not perform satisfactorily, to award a trial period to the next ranked bidder or to award a contract to the next ranked bidder, if that bidder has successfully provided services to the City in the past. This procedure to continue until a bidder is selected or the contract is re-bid, at the sole option of the City.

- 3.18 LEGAL REQUIREMENTS:** Applicable provisions of all federal, state, county laws, and local ordinances, rules and regulations, shall govern development, submittal and evaluation of all bids received in response hereto and shall govern any and all claims and disputes which may arise between person(s) submitting a bid response hereto and the City by and through its officers, employees and authorized representatives, or any other person, natural or otherwise; and lack of knowledge by any bidder shall not constitute a cognizable defense against the legal effect thereof.

- 3.19 BID PROTEST PROCEDURE: ANY PROPOSER OR BIDDER WHO IS NOT RECOMMENDED FOR AWARD OF A CONTRACT AND WHO ALLEGES A FAILURE BY THE CITY TO FOLLOW THE CITY'S PROCUREMENT ORDINANCE OR ANY APPLICABLE LAW MAY PROTEST TO THE DIRECTOR OF PROCUREMENT SERVICES DIVISION (DIRECTOR), BY DELIVERING A LETTER OF PROTEST TO THE DIRECTOR WITHIN FIVE (5) DAYS AFTER A NOTICE OF INTENT TO AWARD IS POSTED ON THE CITY'S WEB SITE AT THE FOLLOWING LINK:**  
[http://www.fortlauderdale.gov/purchasing/notices\\_of\\_intent.htm](http://www.fortlauderdale.gov/purchasing/notices_of_intent.htm)

**THE COMPLETE PROTEST ORDINANCE MAY BE FOUND ON THE CITY'S WEB SITE AT THE FOLLOWING LINK:**  
<http://www.fortlauderdale.gov/purchasing/protestordinance.pdf>

#### **PART IV BONDS AND INSURANCE**

- 4.01 PERFORMANCE BOND:** If a performance bond is required in Special Conditions, the Contractor shall within fifteen (15) working days after notification of award, furnish to the City a Performance Bond, payable to the City of Fort Lauderdale, Florida, in the face amount specified in Special Conditions as surety for faithful performance under the terms and conditions of the contract. If the bond is on an annual coverage basis, renewal for each succeeding year shall be submitted to the City thirty (30) days prior to the termination date of the existing Performance Bond. The Performance Bond must be executed by a surety company of recognized standing, authorized to do business in the State of Florida and having a resident agent.

Acknowledgement and agreement is given by both parties that the amount herein set for the Performance Bond is not intended to be nor shall be deemed to be in the nature of liquidated damages nor is it intended to limit the liability of the Contractor to the City in the event of a material breach of this Agreement by the Contractor.

- 4.02 INSURANCE:** If the Contractor is required to go on to City property to perform work or services as a result of ITB award, the Contractor shall assume full responsibility and expense to obtain all necessary insurance as required by City or specified in Special Conditions.

The Contractor shall provide to the Procurement Services Division original certificates of coverage and receive notification of approval of those certificates by the City's Risk Manager prior to engaging in any activities under this contract. The Contractor's insurance is subject to the approval of the City's Risk Manager. The certificates must list the City as an ADDITIONAL INSURED for General Liability Insurance, and shall have no less than thirty (30) days written notice of cancellation or material change. Further modification of the insurance requirements may be made at the sole discretion of the City's Risk Manager if circumstances change or adequate protection of the City is not presented. Bidder, by submitting the bid, agrees to abide by such modifications.

#### **PART V PURCHASE ORDER AND CONTRACT TERMS:**

- 5.01 COMPLIANCE TO SPECIFICATIONS, LATE DELIVERIES/PENALTIES:** Items offered may be tested for compliance to bid

specifications. Items delivered which do not conform to bid specifications may be rejected and returned at Contractor's expense. Any violation resulting in contract termination for cause or delivery of items not conforming to specifications, or late delivery may also result in:

- Bidders name being removed from the City's bidder's mailing list for a specified period and Bidder will not be recommended for any award during that period.
- All City Departments being advised to refrain from doing business with the Bidder.
- All other remedies in law or equity.

- 5.02 ACCEPTANCE, CONDITION, AND PACKAGING:** The material delivered in response to ITB award shall remain the property of the Seller until a physical inspection is made and the material accepted to the satisfaction of the City. The material must comply fully with the terms of the ITB, be of the required quality, new, and the latest model. All containers shall be suitable for storage and shipment by common carrier, and all prices shall include standard commercial packaging. The City will not accept substitutes of any kind. Any substitutes or material not meeting specifications will be returned at the Bidder's expense. Payment will be made only after City receipt and acceptance of materials or services.
- 5.03 SAFETY STANDARDS:** All manufactured items and fabricated assemblies shall comply with applicable requirements of the Occupation Safety and Health Act of 1970 as amended, and be in compliance with Chapter 442, Florida Statutes. Any toxic substance listed in Section 38F-41.03 of the Florida Administrative Code delivered as a result of this order must be accompanied by a completed Safety Data Sheet (SDS).
- 5.04 ASBESTOS STATEMENT:** All material supplied must be 100% asbestos free. Bidder, by virtue of bidding, certifies that if awarded any portion of the ITB the bidder will supply only material or equipment that is 100% asbestos free.
- 5.05 OTHER GOVERNMENTAL ENTITIES:** If the Bidder is awarded a contract as a result of this ITB, the bidder may, if the bidder has sufficient capacity or quantities available, provide to other governmental agencies, so requesting, the products or services awarded in accordance with the terms and conditions of the ITB and resulting contract. Prices shall be F.O.B. delivered to the requesting agency.
- 5.06 VERBAL INSTRUCTIONS PROCEDURE:** No negotiations, decisions, or actions shall be initiated or executed by the Contractor as a result of any discussions with any City employee. Only those communications which are in writing from an authorized City representative may be considered. Only written communications from Contractors, which are assigned by a person designated as authorized to bind the Contractor, will be recognized by the City as duly authorized expressions on behalf of Contractors.
- 5.07 INDEPENDENT CONTRACTOR:** The Contractor is an independent contractor under this Agreement. Personal services provided by the Proposer shall be by employees of the Contractor and subject to supervision by the Contractor, and not as officers, employees, or agents of the City. Personnel policies, tax responsibilities, social security, health insurance, employee benefits, procurement policies unless otherwise stated in this ITB, and other similar administrative procedures applicable to services rendered under this contract shall be those of the Contractor.
- 5.08 INDEMNITY/HOLD HARMLESS AGREEMENT:** The Contractor agrees to protect, defend, indemnify, and hold harmless the City of Fort Lauderdale and its officers, employees and agents from and against any and all losses, penalties, damages, settlements, claims, costs, charges for other expenses, or liabilities of every and any kind including attorney's fees, in connection with or arising directly or indirectly out of the work agreed to or performed by Contractor under the terms of any agreement that may arise due to the bidding process. Without limiting the foregoing, any and all such claims, suits, or other actions relating to personal injury, death, damage to property, defects in materials or workmanship, actual or alleged violations of any applicable Statute, ordinance, administrative order, rule or regulation, or decree of any court shall be included in the indemnity hereunder.
- 5.09 TERMINATION FOR CAUSE:** If, through any cause, the Contractor shall fail to fulfill in a timely and proper manner its obligations under this Agreement, or if the Contractor shall violate any of the provisions of this Agreement, the City may upon written notice to the Contractor terminate the right of the Contractor to proceed under this Agreement, or with such part or parts of the Agreement as to which there has been default, and may hold the Contractor liable for any damages caused to the City by reason of such default and termination. In the event of such termination, any completed services performed by the Contractor under this Agreement shall, at the option of the City, become the City's property and the Contractor shall be entitled to receive equitable compensation for any work completed to the satisfaction of the City. The Contractor, however, shall not be relieved of liability to the City for damages sustained by the City by reason of any breach of the Agreement by the Contractor, and the City may withhold any payments to the Contractor for the purpose of setoff until such time as the amount of damages due to the City from the Contractor can be determined.
- 5.10 TERMINATION FOR CONVENIENCE:** The City reserves the right, in its best interest as determined by the City, to cancel contract by giving written notice to the Contractor thirty (30) days prior to the effective date of such cancellation.
- 5.11 CANCELLATION FOR UNAPPROPRIATED FUNDS:** The obligation of the City for payment to a Contractor is limited to the availability of funds appropriated in a current fiscal period, and continuation of the contract into a subsequent fiscal period is subject to appropriation of funds, unless otherwise authorized by law.
- 5.12 RECORDS/AUDIT:** The Contractor shall maintain during the term of the contract all books of account, reports and records in

accordance with generally accepted accounting practices and standards for records directly related to this contract. The Contractor agrees to make available to the City Auditor or designee, during normal business hours and in Broward, Miami-Dade or Palm Beach Counties, all books of account, reports and records relating to this contract should be retained for the duration of the contract and for three years after the final payment under this Agreement, or until all pending audits, investigations or litigation matters relating to the contract are closed, whichever is later.

- 5.13 PERMITS, TAXES, LICENSES:** The successful Contractor shall, at their own expense, obtain all necessary permits, pay all licenses, fees and taxes, required to comply with all local ordinances, state and federal laws, rules and regulations applicable to business to be carried out under this contract.
- 5.14 LAWS/ORDINANCES:** The Contractor shall observe and comply with all Federal, state, local and municipal laws, ordinances rules and regulations that would apply to this contract.
- 5.15 NON-DISCRIMINATION:** There shall be no discrimination as to race, sex, color, creed, age or national origin in the operations conducted under this contract.
- 5.16 UNUSUAL CIRCUMSTANCES:** If during a contract term where costs to the City are to remain firm or adjustments are restricted by a percentage or CPI cap, unusual circumstances that could not have been foreseen by either party of the contract occur, and those circumstances significantly affect the Contractor's cost in providing the required prior items or services, then the Contractor may request adjustments to the costs to the City to reflect the changed circumstances. The circumstances must be beyond the control of the Contractor, and the requested adjustments must be fully documented. The City may, after examination, refuse to accept the adjusted costs if they are not properly documented, increases are considered to be excessive, or decreases are considered to be insufficient. In the event the City does not wish to accept the adjusted costs and the matter cannot be resolved to the satisfaction of the City, the City will reserve the following options:
1. The contract can be canceled by the City upon giving thirty (30) days written notice to the Contractor with no penalty to the City or Contractor. The Contractor shall fill all City requirements submitted to the Contractor until the termination date contained in the notice.
  2. The City requires the Contractor to continue to provide the items and services at the firm fixed (non-adjusted) cost until the termination of the contract term then in effect.
  3. If the City, in its interest and in its sole opinion, determines that the Contractor in a capricious manner attempted to use this section of the contract to relieve them of a legitimate obligation under the contract, and no unusual circumstances had occurred, the City reserves the right to take any and all action under law or equity. Such action shall include, but not be limited to, declaring the Contractor in default and disqualifying him for receiving any business from the City for a stated period of time.

If the City does agree to adjusted costs, these adjusted costs shall not be invoiced to the City until the Contractor receives notice in writing signed by a person authorized to bind the City in such matters.

- 5.17 ELIGIBILITY:** If applicable, the Contractor must first register with the Department of State of the State of Florida, in accordance with Florida State Statutes, prior to entering into a contract with the City.
- 5.18 PATENTS AND ROYALTIES:** The Contractor, without exception, shall indemnify and save harmless the City and its employees from liability of any nature and kind, including cost and expenses for or on account of any copyrighted, patented or un-patented invention, process, or article manufactured or used in the performance of the contract, including its use by the City. If the Contractor uses any design, device, or materials covered by letters, patent or copyright, it is mutually agreed and understood without exception that the bid prices shall include all royalties or costs arising from the use of such design, device, or materials in any way involved in the work.
- 5.19 ASSIGNMENT:** Contractor shall not transfer or assign the performance required by this ITB without the prior written consent of the City. Any award issued pursuant to this ITB, and the monies, which may become due hereunder, are not assignable except with the prior written approval of the City Commission or the City Manager or City Manager's designee, depending on original award approval.
- 5.20 LITIGATION VENUE:** The parties waive the privilege of venue and agree that all litigation between them in the state courts shall take place in Broward County, Florida and that all litigation between them in the federal courts shall take place in the Southern District in and for the State of Florida.
- 5.21 LOCATION OF UNDERGROUND FACILITIES:** If the Contractor, for the purpose of responding to this solicitation, requests the location of underground facilities through the Sunshine State One-Call of Florida, Inc. notification system or through any person or entity providing a facility locating service, and underground facilities are marked with paint, stakes or other markings within the City pursuant to such a request, then the Contractor, shall be deemed non-responsive to this solicitation in accordance with Section 2-184(5) of the City of Fort Lauderdale Code of Ordinances.

**5.22 PUBLIC RECORDS**

**IF THE CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT. CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT: (954-828-5002, PRRCONTRACT@FORTLAUDERDALE.GOV, CITY CLERK'S OFFICE, 100 NORTH ANDREWS AVENUE, FORT LAUDERDALE, FLORIDA 33301)**

Contractor shall:

1. Keep and maintain public records that ordinarily and necessarily would be required by the City in order to perform the service.
2. Upon request from the City's custodian of public records, provide the City with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes (2016), as may be amended or revised, or as otherwise provided by law.
3. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of this contract if the Contractor does not transfer the records to the City.
4. Upon completion of the Contract, transfer, at no cost, to the City all public records in possession of the Contractor or keep and maintain public records required by the City to perform the service. If the Contractor transfers all public records to the City upon completion of this Contract, the Contractor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the Contractor keeps and maintains public records upon completion of this Contract, the Contractor shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the City, upon request from the City's custodian of public records, in a format that is compatible with the information technology systems of the City.

**NON-COLLUSION STATEMENT:**

By signing this offer, the vendor/contractor certifies that this offer is made independently and *free* from collusion. Vendor shall disclose below any City of Fort Lauderdale, FL officer or employee, or any relative of any such officer or employee who is an officer or director of, or has a material interest in, the vendor's business, who is in a position to influence this procurement.

Any City of Fort Lauderdale, FL officer or employee who has any input into the writing of specifications or requirements, solicitation of offers, decision to award, evaluation of offers, or any other activity pertinent to this procurement is presumed, for purposes hereof, to be in a position to influence this procurement.

For purposes hereof, a person has a material interest if they directly or indirectly own more than 5 percent of the total assets or capital stock of any business entity, or if they otherwise stand to personally gain if the contract is awarded to this vendor.

In accordance with City of Fort Lauderdale, FL Policy and Standards Manual, 6.10.8.3,

3.3. City employees may not contract with the City through any corporation or business entity in which they or their immediate family members hold a controlling financial interest (e.g. ownership of five (5) percent or more).

3.4. Immediate family members (spouse, parents and children) are also prohibited from contracting with the City subject to the same general rules.

**Failure of a vendor to disclose any relationship described herein shall be reason for debarment in accordance with the provisions of the City Procurement Code.**

**NAME**

**RELATIONSHIPS**

-

**In the event the vendor does not indicate any names, the City shall interpret this to mean that the vendor has indicated that no such relationships exist.**

### CONTRACT PAYMENT METHOD BY P-CARD

THIS FORM MUST BY SUBMITTED WITH YOUR RESPONSE

The City of Fort Lauderdale has implemented a Procurement Card (P-Card) program which changes how payments are remitted to its vendors. The City has transitioned from traditional paper checks to payment by credit card via MasterCard or Visa. This allows you as a vendor of the City of Fort Lauderdale to receive your payment fast and safely. No more waiting for checks to be printed and mailed.

Payments will be made utilizing the City's P-Card (MasterCard or Visa). Accordingly, firms must presently have the ability to accept credit card payment or take whatever steps necessary to implement acceptance of a credit card before the commencement of a contract.

Please indicate which credit card payment you prefer:

Master Card

Visa Card

Company Name:

Name (Printed)

Signature

Date:

Title

**BID/PROPOSAL CERTIFICATION**

**Please Note:** If responding to this solicitation through BidSync, the electronic version of the bid response will prevail, unless a paper version is clearly marked **by the bidder** in some manner to indicate that it will supplant the electronic version. All fields below must be completed. If the field does not apply to you, please note N/A in that field.

If you are a foreign corporation, you may be required to obtain a certificate of authority from the department of state, in accordance with Florida Statute §607.1501 (visit <http://www.dos.state.fl.us/>).

Company: (Legal Registration)

Address:

City:  State:  Zip:

Telephone No.  FAX No.  Email:

Delivery: Calendar days after receipt of Purchase Order (**section 1.02 of General Conditions**):

Total Bid Discount (**section 1.05 of General Conditions**):

Does your firm qualify for MBE or WBE status (**section 1.09 of General Conditions**): MBE  WBE

**ADDENDUM ACKNOWLEDGEMENT** - Proposer acknowledges that the following addenda have been received and are included in the proposal:

<u>Addendum No.</u>	<u>Date Issued</u>	<u>Addendum No.</u>	<u>Date Issued</u>	<u>Addendum No.</u>	<u>Date Issued</u>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>					
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>					

**VARIANCES:** If you take exception or have variances to any term, condition, specification, scope of service, or requirement in this competitive solicitation you must specify such exception or variance in the space provided below or reference in the space provided below all variances contained on other pages within your response. Additional pages may be attached if necessary. No exceptions or variances will be deemed to be part of the response submitted unless such is listed and contained in the space provided below. The City does not, by virtue of submitting a variance, necessarily accept any variances. If no statement is contained in the below space, it is hereby implied that your response is in full compliance with this competitive solicitation. If you do not have variances, simply mark N/A. **If submitting your response electronically through BIDSUNC you must also click the "Take Exception" button.**



The below signatory hereby agrees to furnish the following article(s) or services at the price(s) and terms stated subject to all instructions, conditions, specifications addenda, legal advertisement, and conditions contained in the bid/proposal. I have read all attachments including the specifications and fully understand what is required. By submitting this signed proposal I will accept a contract if approved by the City and such acceptance covers all terms, conditions, and specifications of this bid/proposal. The below signatory also hereby agrees, by virtue of submitting or attempting to submit a response, that in no event shall the City's liability for respondent's direct, indirect, incidental, consequential, special or exemplary damages, expenses, or lost profits arising out of this competitive solicitation process, including but not limited to public advertisement, bid conferences, site visits, evaluations, oral presentations, or award proceedings exceed the amount of Five Hundred Dollars (\$500.00). This limitation shall not apply to claims arising under any provision of indemnification or the City's protest ordinance contained in this competitive solicitation.

Submitted by:

Name (printed)

Signature

Date:

Title

**LOCAL BUSINESS PREFERENCE CERTIFICATION STATEMENT**

The Business identified below certifies that it qualifies for the local BUSINESS preference classification as indicated herein, and further certifies and agrees that it will re-affirm it's local preference classification annually no later than thirty (30) calendar days prior to the anniversary of the date of a contract awarded pursuant to this ITB. Violation of the foregoing provision may result in contract termination.

(1)   
Business Name  
is a **Class A** Business as defined in City of Fort Lauderdale Ordinance No. C-12-04, Sec.2-199.2. A copy of the City of Fort Lauderdale current year Business Tax Receipt **and** a complete list of full-time employees and evidence of their addresses shall be provided within 10 calendar days of a formal request by the City.

(2)   
Business Name  
is a **Class B** Business as defined in the City of Fort Lauderdale Ordinance No. C-12-04, Sec.2-199.2. A copy of the Business Tax Receipt **or** a complete list of full-time employees and evidence of their addresses shall be provided within 10 calendar days of a formal request by the City.

(3)   
Business Name  
is a **Class C** Business as defined in the City of Fort Lauderdale Ordinance No. C-12-04, Sec.2-199.2. A copy of the Broward County Business Tax Receipt shall be provided within 10 calendar days of a formal request by the City.

(4)   
Business Name  
requests a **Conditional Class A** classification as defined in the City of Fort Lauderdale Ordinance No. C-12-04, Sec.2-199.2. Written certification of intent shall be provided within 10 calendar days of a formal request by the City.

(5)   
Business Name  
requests a **Conditional Class B** classification as defined in the City of Fort Lauderdale Ordinance No. C-12-04, Sec.2-199.2. Written certification of intent shall be provided within 10 calendar days of a formal request by the City.

(6)   
Business Name  
is considered a **Class D** Business as defined in the City of Fort Lauderdale Ordinance No. C-12-04, Sec.2-199.2. and does not qualify for Local Preference consideration.

BIDDER'S COMPANY:

AUTHORIZED COMPANY PERSON:			
	NAME	SIGNATURE	DATE

## Question and Answers for Bid #975-11857 - Financial Audit Services

### Overall Bid Questions

#### Question 1

For the fiscal year 2015 audit, were there any additional services performed by the current auditors? What were the associated fees for those services? (Submitted: Dec 23, 2016 2:06:53 PM EST)

#### Answer

- Department of Justice Equitable Sharing Audit - \$35,000  
Community Redevelopment Agency - \$3,000 (Answered: Jan 3, 2017 12:23:43 PM EST)

#### Question 2

For fiscal year 2017, does the City expect to meet the State Single Audit threshold? (Submitted: Dec 23, 2016 2:08:09 PM EST)

#### Answer

- Yes. (Answered: Jan 3, 2017 12:23:43 PM EST)

#### Question 3

Could you please provide a copy of the latest General Employees pension plan audited financial statements? (Submitted: Dec 23, 2016 2:08:41 PM EST)

#### Answer

- Yes, see exhibit A on the attachments. (Answered: Jan 3, 2017 12:23:43 PM EST)

#### Question 4

Could you please provide a copy of the latest Special Large User Report? (Submitted: Dec 23, 2016 2:09:13 PM EST)

#### Answer

- Yes, see exhibit B on the attachments. (Answered: Jan 3, 2017 12:23:43 PM EST)

#### Question 5

Could you provide a copy of the latest CRA report? (Submitted: Dec 23, 2016 2:09:31 PM EST)

#### Answer

- Yes, see exhibit C on the attachments. (Answered: Jan 3, 2017 12:23:43 PM EST)

#### Question 6

Are the current auditors using a Small Business Enterprise (SBE)? (Submitted: Dec 23, 2016 2:10:20 PM EST)

#### Answer

- No. (Answered: Jan 3, 2017 12:23:43 PM EST)

#### Question 7

As a larger firm, is there a requirement to use a Small Business Enterprise (SBE)? (Submitted: Dec 23, 2016 2:11:16 PM EST)

#### Answer

- No. (Answered: Jan 3, 2017 12:23:43 PM EST)

#### Question 8

Pg. 24 requires 5 electronic (soft) copies - Is this a USB Drive? DVDs? (Submitted: Dec 23, 2016 2:42:16 PM EST)

#### Answer

- USB Drive or DVDs will be accepted. (Answered: Jan 3, 2017 12:23:43 PM EST)

#### Question 9

Can you provide a copy of the last auditor's contract? (Submitted: Jan 4, 2017 7:42:38 PM EST)

#### Answer

- The current contract and solicitation is posted in the City of Fort Lauderdale website, under the procurement department. (Answered: Jan 6, 2017 1:52:05 PM EST)

**Question 10**

Please provide the auditor's last engagement letter. (Submitted: Jan 4, 2017 7:43:08 PM EST)

**Answer**

- See exhibit D attachment. (Answered: Jan 6, 2017 2:15:31 PM EST)

**Question 11**

Please provide management letters & comments for the last two years, issued separately from the audited financial statements? (Submitted: Jan 4, 2017 7:44:29 PM EST)

**Answer**

- The City has not issued separate financial statements. (Answered: Jan 6, 2017 1:52:05 PM EST)

**Question 12**

Will they City consider awarding extra points for small business or minority business participation? (Submitted: Jan 4, 2017 7:45:09 PM EST)

**Answer**

- Additional points will be awarded only to local preference. (Answered: Jan 6, 2017 1:52:05 PM EST)

**Question 13**

How much were the audit fees for each year of the last contract period, or at a minimum, the last 3 years? (Submitted: Jan 4, 2017 7:45:57 PM EST)

**Answer**

- Approximately \$247,000 per year. See contract on the city website for more details. (Answered: Jan 6, 2017 2:15:31 PM EST)

**Question 14**

Can the previous auditors bid again? (Submitted: Jan 4, 2017 7:46:27 PM EST)

**Answer**

- Yes. (Answered: Jan 6, 2017 1:52:05 PM EST)

**Question 15**

How long were the auditors in the field? And what months were they in the field? (Submitted: Jan 4, 2017 7:47:07 PM EST)

**Answer**

- See exhibit E attachment. (Answered: Jan 6, 2017 2:15:31 PM EST)

**Question 16**

Has there been a change in finance/accounting department key personnel in the last two years? (Submitted: Jan 4, 2017 7:47:47 PM EST)

**Answer**

- Yes. (Answered: Jan 6, 2017 1:52:05 PM EST)

**Question 17**

Who will make up the selection committee? (Submitted: Jan 4, 2017 7:48:15 PM EST)

**Answer**

- It will be composed of knowledgeable staff on the field being evaluated. See section V of the solicitation for more information. (Answered: Jan 6, 2017 1:52:05 PM EST)

**Question 18**

For the original and all other copies of the proposal (including forms), can electronic or digitally certified signatures be used? (Submitted: Jan 4, 2017 7:49:29 PM EST)

**Answer**

- Yes. (Answered: Jan 6, 2017 1:52:05 PM EST)

**Question 19**

What is the address that "hard copies" and CDs should be sent? (Submitted: Jan 5, 2017 2:27:13 PM EST)

**Answer**

- City of Fort Lauderdale  
Procurement Services Division  
100 N. Andrews Ave #619  
Fort Lauderdale, Florida 33301

Solicitation number should be display on the packet(s) being submitted. See section I of the solicitation for more details. **(Answered: Jan 6, 2017 1:52:05 PM EST)**

#### Question 20

Is there a preference on how the proposal should be submitted via BidSync or hardcopy? If via BidSync how are the copies and CDs versions satisfied. If via hardcopy should the forms be included in all copies or just submitted via BidSync? **(Submitted: Jan 6, 2017 4:23:41 PM EST)**

#### Answer

- You are able to submit the proposal via BidSync or Hardcopy, the preference are Hardcopies. Every hard copy packet must include all the required forms. **(Answered: Jan 12, 2017 8:54:30 AM EST)**

#### Question 21

Have you determined who the members will be on the selection committee? **(Submitted: Jan 12, 2017 3:23:29 PM EST)**

#### Answer

- The selection Committee will be selected after the end date of the solicitation and all the proposals have been received by the City. **(Answered: Jan 13, 2017 1:25:59 PM EST)**

#### Question 22

Please clarify the information you require for pricing. Do you want one fixed fee which would be the same for five years or just five years worth of fixed fees quoted? **(Submitted: Jan 12, 2017 3:28:01 PM EST)**

#### Answer

- The city is requesting an annual fee for general financial audit (not lump sum). A price per program for the Federal Award or State Financial Assistance program. In addition, an hourly rate for additional services the city may require. See Cost proposal form for more details. **(Answered: Jan 13, 2017 1:25:59 PM EST)**

#### Question 23

Will there be oral presentations? What is the anticipated timeline for the oral presentations (if any) and what is the planned timing of the award of the contract? **(Submitted: Jan 12, 2017 3:38:16 PM EST)**

#### Answer

- These will be determine by the evaluation Committee. Timeline varies for each solicitation. **(Answered: Jan 13, 2017 1:25:59 PM EST)**

#### Question 24

When going through the auditor selection process, what are the most important attributes you are looking for and what was the primary reason for the selection of the current auditors? What qualifications/characteristics did the City appreciate the most about their 'current' auditors or look for in future auditors? What areas does the City see as an opportunity for improvement for future audit engagements? **(Submitted: Jan 12, 2017 3:41:23 PM EST)**

#### Answer

- The selection is based on the evaluation criteria stated on the solicitation. Each of the criteria will be evaluated by each of the members of the evaluation committee and each firm will be given a score. **(Answered: Jan 13, 2017 1:25:59 PM EST)**

#### Question 25

What was the typical audit engagement time line, duration and staffing levels, if known (partners, managers, senior, staff, etc.) for the 2015 engagement as it relates to a) interim fieldwork prior to fiscal year end b) Final or substantive fieldwork subsequent to fiscal year end c) approximately how many hours were auditors in the field? **(Submitted: Jan 12, 2017 3:45:32 PM EST)**

#### Answer

- It varies on the type of audit. **(Answered: Jan 23, 2017 9:23:12 AM EST)**

#### Question 26

When will the final trial balance and audit support schedules be available for auditors for planning purposes?

(Submitted: Jan 12, 2017 3:47:04 PM EST)

**Answer**

- Early January. (Answered: Jan 23, 2017 9:14:21 AM EST)

**Question 27**

Approximately how many auditor-generated journal entries are made each year? (Submitted: Jan 12, 2017 3:47:48 PM EST)

**Answer**

- It is rarely done. (Answered: Jan 23, 2017 9:14:21 AM EST)

**Question 28**

Are there any other major transactions/activities planned that may affect the fiscal year ending 2017 or subsequent years' engagements (planned major capital projects, IT system implementations, bond issuances, etc.)? (Submitted: Jan 12, 2017 3:49:15 PM EST)

**Answer**

- ERP implementation, Parking Fund bonds, capital lease and ESCO financing. (Answered: Jan 23, 2017 9:14:21 AM EST)

**Question 29**

What management and accounting systems does the City use, e.g., cash collections, data management, financial assets, financial reporting, etc? Will a download of trial balance financial and budgetary information be available? (Submitted: Jan 12, 2017 3:50:58 PM EST)

**Answer**

- BPREP Budget Preparation System  
Cash Cloud Cash receipts data entry interfaces with FAMIS  
Cayenta Utility Billing  
Cognos Reporting tool  
FAMIS Accounting system  
FAACS Fixed assets tracking system (FAMIS module)  
SumTotal System Payroll processing system  
Kronos Timekeeping system (Answered: Jan 23, 2017 9:14:21 AM EST)

**Question 30**

On the price page of the RFP you ask for amount per program. Since the single audit requires time and planning to identify major programs, how would you like the fee presented? The price form says fee per program but how should the base cost for planning and program selection be provided? Should we provide a fee for say 5 major programs and then a quote per each additional? Just providing a quote per program may not provide you with truly comparable information if some proposers allocate the planning costs and others do not. (Submitted: Jan 12, 2017 3:55:46 PM EST)

**Answer**

--Free per Program.  
-No. (Answered: Jan 23, 2017 9:14:21 AM EST)