

James E. Woods, Mayor
Jay G. Foy Vice Mayor
Jerry E. Beavers, Council Member
Henry "Butch" Lynch, Council Member
Mark C. Uptegraph, Council Member
Janice C. Rutan, Town Administrator
John Fenn Foster, Town Attorney



Noon
WORKSHOP AGENDA

Town Council
Workshop Meeting
Town Hall Council Chambers
4585 Charlotte Street
Haverhill
Tuesday, February 1, 2011

Notice is hereby given that the Town Council of the Town of Haverhill will hold a Regular Workshop on **Tuesday, February 1, 2011 @ Noon** at the Town Hall, 4585 Charlotte Street.

AGENDA

- I. Call to Order
- II. Roll Call
- III. Presentations/Proclamations
 - a. Iris Thomasson, Branch Manager Power Financial Credit Union
- IV. Council, Attorney and Staff Report
- V. Old Business
- VI. New Business
 - a. *Discuss Audit Engagement beginning FY2011*
- VII. Adjournment

Notice: If any person decides to appeal any decision of the Town Council at this meeting, he/she will need a record of the proceedings and for this purpose; he/she needs to ensure that a verbatim record of the proceedings is made. The record must include the testimony and evidence upon which the appeal is to be based, pursuant to F.S. 286.0105. The Town of Haverhill does not prepare nor provide such verbatim record.

In accordance with the provisions of the American with disabilities Act (ADA), this document can be made available in an alternate format (large print) upon request. Special accommodations can be provided upon request with three (3) days advance notice of any meeting, by contacting Janice C. Rutan, Town Administrator, at the Haverhill Town Hall, 4585 Charlotte Street, Haverhill, Florida. Phone Number (561) 689-0370 Facsimile Number (561) 689-4317

Dear Mrs. Ruton,

We are very excited about presenting the benefits of the credit union to you and your staff.

Membership in Power Financial Credit Union provides your employees access to **FREE** money saving financial services. It's a benefit that helps them on the job AND at home! Offering Power Financial Credit Union membership to your employees is effortless for you and tremendously beneficial for them. Your partnership with Power Financial Credit Union begins immediately. We handle the orientation and education without impacting your company's productivity or requiring any of your valuable time. In addition, we will visit your facility and open accounts.

For more than 55 years, we have provided financial services for Florida Power and Light Company. Today, as one of South Florida's largest and most stable credit unions, we are bringing the Credit Union difference to businesses in South Florida.

Here are a few products and services that we offer:

- ✦ Auto Loans, Business Loans, Consumer Loans, Home Equity Loans & Lines of Credit, Mortgages
- ✦ CD/IRAs
- ✦ **FREE** Cash Back Checking Account with a market leading APY
- ✦ **FREE** Checking Accounts
- ✦ Insurance Programs
- ✦ Investment Services
- ✦ Money Market Accounts
- ✦ Online Services
- ✦ Savings Accounts
- ✦ Shared Service Facilities (with over 4,000 locations nationwide)
- ✦ Youth Checking & Savings Accounts

I look forward to helping you provide money-saving employee benefits at no cost to your company.

Thank you so much for meeting with me today. I will follow up with you in a few days and if you have any questions please call me at (561) 694-2794.

Sincerely,



Iris Thomasson
Manager/AVP



February 4, 2010 Agenda
2700 North Military Trail • Suite 350
Boca Raton, Florida 33431
(561) 994-9299 • (800) 299-4728
Fax (561) 994-5823
www.graucpa.com

May 8, 2007

Honorable Mayor Joseph S. Kroll
Town of Haverhill
4585 Charlotte Street
Haverhill, Florida 33417-5911

Dear Mayor Kroll:

We are pleased to confirm our understanding of the services we are to provide the Town of Haverhill, Florida (the "Town") for the fiscal years ended September 30, 2006, 2007, 2008, 2009 and 2010. We will audit the financial statements of the governmental activities and major fund, which collectively comprise the entity's basic financial statements, of the Town as of and for the fiscal years ended September 30, 2006, 2007, 2008, 2009 and 2010. Notwithstanding anything to the contrary, the Town may terminate this agreement after the audit for the fiscal year ended September 30, 2007 by providing written notice to Grau & Associates between September 30 and December 1 of any year for the 2008, 2009 and/or 2010 audit.

The document we submit to you will include the following supplementary information required by generally accepted accounting principles that will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis
2. Budgetary comparison schedule for the general fund

Audit Objectives

The objective of our audit is the expression of an opinion as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the additional information referred to in the first paragraph when considered in relation to the financial statements taken as a whole. Our audit will be conducted in accordance with U.S. generally accepted auditing standards; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of accounting records of the Town and other procedures we consider necessary to enable us to express such an opinion. If our opinion on the financial statements is other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. This report will include a statement that the report is intended solely for the information and use of the management and specific legislative or regulatory bodies and is not intended to be and should not be used by anyone other than these specified parties.

Management Responsibilities

Management is responsible for establishing and maintaining effective internal control and for compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of the controls. The objectives of internal control are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorizations and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Management is responsible for making all financial records and related information available to us. We understand that you will provide us with such information required for our audit and that you are responsible for the accuracy and completeness of that information. We will advise you about appropriate accounting principles and their application and will advise you in the preparation of your financial statements, but the responsibility for the financial statements remains with you. As part of our engagement, we may propose standard, adjusting, or correcting journal entries to your financial statements. You are responsible for reviewing the entries and understanding the nature of any proposed entries and the impact they have on the financial statements. That responsibility includes the establishment and maintenance of adequate records and effective internal control over financial reporting, the selection and application of accounting principles, and the safeguarding of assets. Management is responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud, or illegal acts affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. You are also responsible for informing us of your knowledge of any allegations of fraud or suspected fraud, or illegal acts affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations and for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report.

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

As part of the audit, we will prepare a draft of your financial statements and related notes. In accordance with *Government Auditing Standards*, you will be required to review and approve those financial statements prior to their issuance and have a responsibility to be in a position in fact and appearance to make an informed judgment on those financial statements. Further, you are required to designate a qualified management-level individual to be responsible and accountable for overseeing our services.

While we will assist in the preparation of the Town's financial statements, responsibility for the financial statements and preparation of Management's Discussion and Analysis are the responsibility of the Town.

Audit Procedures—General

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

Because an audit is designed to provide reasonable, but not absolute assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform you of any material errors that come to our attention, and we will inform you of any fraudulent financial reporting or misappropriation of assets that comes to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to matters that might arise during any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Controls

In planning and performing our audit, we will consider the internal control sufficient to plan the audit in order to determine the nature, timing, and extent of our auditing procedures for the purpose of expressing our opinion on the Town's financial statements.

We will obtain an understanding of the design of the relevant controls and whether they have been placed in operation, and we will assess control risk. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Tests of controls relative to the financial statements are required only if control risk is assessed below the maximum level. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify reportable conditions. However, we will inform the governing body or audit committee of any matters involving internal control and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. We will also inform you of any non-reportable conditions or other matters involving internal control, if any, as required by *Government Auditing Standards*.

Audit Procedures—Compliance

Identifying and ensuring that the Town of Haverhill complies with the provisions of laws, regulations, contracts, agreements, and grants is the responsibility of management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Town's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Audit Administration, Fees, and Other

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

The audit documentation for this engagement is the property of Grau & Associates and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to a cognizant or oversight agency for audit or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality

review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Grau & Associates personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies. Notwithstanding the foregoing, the parties acknowledge that various documents reviewed or produced during the conduct of the audit may be public records under Florida law. The Town agrees to notify Grau & Associates of any public record request it receives that involves audit documentation.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fees, including expenses, shall not exceed:

Year ending September 30, 2006	\$18,000
Year ending September 30, 2007	\$18,550
Year ending September 30, 2008	\$19,100
Year ending September 30, 2009	\$19,650
Year ending September 30, 2010	\$20,250

Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. Invoices will be submitted in sufficient detail to demonstrate compliance with the terms of this agreement. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fees are based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate.

We expect to begin our audit on approximately June 1, 2007, and to complete our report no later than September 30, 2007. Provided the responsibilities of management (the Town) are timely met, failure to complete the audit report on or before September 30 of any audit year hereunder, shall be deemed a material breach of this agreement.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2004 peer review report accompanies this letter.

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

Very truly yours,
Grau & Associates



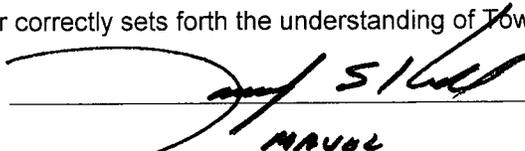
Antonio Grau, Jr.

RESPONSE:

This letter correctly sets forth the understanding of Town of Haverhill, Florida.

By:

Title:



MAYOR

Town of Haverhill

Attest: _____
Date: 5.8.07 _____