

**THE SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA  
FINANCIAL SERVICES DEPARTMENT**  
1960 LANDINGS BLVD. -- SARASOTA, FL 34231-3331  
PHONE (941) 927-9000 --- FAX (941) 927-4017

**CONTRACT FOR SERVICES BY INDEPENDENT CONTRACTORS**

(See reverse side for definition of independent contractor)

<b>NAME</b> <b>STREET/BOX</b> <b>CITY/STATE/ZIP</b>	<small>ACCOUNTS PAYABLE USE ONLY</small>
	<b>VENDOR #</b> _____
	<b>CONTRACT #</b> _____

**SOCIAL SECURITY #** \_\_\_\_ - \_\_\_\_ - \_\_\_\_      **FEDERAL IDENTIFICATION #** \_\_\_\_ - \_\_\_\_ - \_\_\_\_  
**CONTACT PERSON** \_\_\_\_\_      **CONTACT PHONE** \_\_\_\_\_

**DESCRIPTION - COST STRIP - APPROVAL**

**SERVICES RENDERED:**      The School Board of Sarasota County, Florida, hereinafter called the School Board, and the above named Independent Contractor, agree as follows:

**The School Board shall pay the Independent Contractor for the following services:**  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**To be performed during the following time period:**  
\_\_\_\_\_  
\_\_\_\_\_

**Payment shall be made (with submission of request for payment form 006-80-FIN) as follows:**  
\_\_\_\_\_

I have read the reverse side of this document, and I certify that I am not an employee of the School Board of Sarasota County Florida and that I will perform the duties as indicated above. I shall provide evidence of the services performed to the cost center head indicated below. I agree to release and hold the School Board of Sarasota County, Florida and/or its employee: agents and volunteers harmless from and against all claims, judgments, costs, or other expenses arising out of bodily injury or property damage resulting from my performance of the services specified in this contract.  
The State of Florida and its political subdivisions are governed by FS 768.28(18)

\_\_\_\_\_  
**Signature of Acceptance by Independent Contractor**      **Date**

**COST STRIP:**

Line	Fund Source *	Function	Object	Cost Center	Project	Amount
1			310			
2			310			
[ If more than 2 cost strips attach addendum ]						<b>Total **</b>

(\*) For fund source 4421 see reverse side for special instructions, provisions & procedures.  
(\*\*) If total amount is \$25,000 or over please indicate:  
**SCHOOL BOARD APPROVAL DATE** \_\_\_\_\_      **AGENDA ITEM #** \_\_\_\_\_

**FINGERPRINTING:**

Do the duties associated with this contract involve direct contact with students, access to school grounds when students are present, or access to District funds?    YES    NO    If yes, you must report to Human Resources for fingerprinting at your expense. Fingerprints were taken and criminal history was reviewed on \_\_\_\_\_. This person is approved to contract with the District.

**Human Resources Executive Director** \_\_\_\_\_      **Date** \_\_\_\_\_

**APPROVALS:**

I certify that this contract is essential and internal resources are not available within the School District.

**Cost Center Head/Director:** \_\_\_\_\_      **DATE:** \_\_\_\_\_  
**Supervisor of Above** \_\_\_\_\_      **DATE:** \_\_\_\_\_  
**Financial Services, Treasurer** \_\_\_\_\_      **DATE:** \_\_\_\_\_

**INSTRUCTIONS**

This contract must be signed and approved by all parties before the services may commence. If the independent contractor is to receive payment for travel, the payment cannot exceed the travel allowances permitted under Florida Statute 112.061. This contract must be approved by the School Board of Sarasota County, if it is in the amount of \$25,000 or greater. The dividing c contracts in order to circumvent the \$25,000 limit will result in notification to the School Board

**An IRS Form 1099 will be issued for all transactions covered by Federal regulation.**



June 3, 2008

School Board of Sarasota County  
1960 Landings Blvd  
Sarasota, Florida 34231

Dear Members:

This letter of arrangement between the School Board of Sarasota County, Florida (the District) and Cherry, Bekaert & Holland, L.L.P. sets forth the nature and scope of the services we will provide, the District's required involvement and assistance in support of our services, the related fee arrangements and other terms and conditions designed to assure that our professional services are performed to achieve the mutually agreed upon objectives of the District.

### **SUMMARY OF SERVICES**

We will audit the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements of the School Board of Sarasota County, Florida as of and for the year ended June 30, 2008.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; the provisions of OMB Circular A-133; and will include test of accounting records, a determination of major programs in accordance with Circular A-133, and other procedures as deemed necessary to enable us to express such an opinion and to render the required reports. The objective of an audit is the expression of our opinion concerning whether the basic financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America.

In connection with our audit, we will report on the fairness of presentation of the schedules of federal and state financial assistance in relation to the financial statements taken as a whole. We will also perform tests of compliance as required by *Government Auditing Standards*, the provisions of OMB Circular A-133, and the *Audit Manual for Local Governmental Units and Recipients of Grant Funds*, and issue our reports thereon.

If any of our opinions resulting from the procedures described above are other than unqualified, we will fully discuss the reasons with you in advance.

The reports on internal control and compliance will each include a statement that the report is intended solely for the information and use of the audit committee, management, specific legislative or regulatory bodies, federal awarding agencies, and if applicable, pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Any additional services that you may request, and that we agree to provide, will be the subject of separate written arrangements. Should the District wish to include or incorporate by reference these financial statements and our report thereon into any official statement or any other document related to the offering of debt securities at some future date, we would consider our consent to the inclusion of our report into another such document at that time. However, we are required by auditing standards generally accepted in the United States of America to perform certain procedures before we can give our permission as to the inclusion of our report into another such document. You agree that you will not include or incorporate by reference these financial statements and our report thereon into any other document without our prior written consent.

Troy Manning, who will be responsible for assuring the overall quality, value, and timeliness of our services to you, will lead the engagement.

### **YOUR EXPECTATIONS**

As part of our planning process, we will discuss with you your expectations of Cherry, Bekaert & Holland, L.L.P., changes that occurred during the year, your views on risks facing you, any relationship issues with Cherry, Bekaert & Holland, L.L.P., and specific engagement arrangements and timing. Our service plan, which includes our audit plan, is designed to provide a foundation for an effective, efficient, and quality-focused approach to accomplish the engagement objectives and to meet or exceed your expectations. Our service plan will be reviewed with you periodically and will serve as a benchmark against which you will be able to measure our performance.

### **TERMS AND CONDITIONS SUPPORTING FEE**

As a result of our planning process, the District and Cherry, Bekaert & Holland, L.L.P. have agreed to a fee, subject to the following conditions.

To facilitate meeting our mutual objectives, the District will provide in a timely manner audit schedules and supporting information, including timely communication of all significant accounting and financial reporting matters, as well as working space and clerical assistance as mutually agreed upon and as is normal and reasonable in the circumstances. When and if for any reason the District is unable to provide such schedules, information and assistance, Cherry, Bekaert & Holland, L.L.P. and the District will mutually revise the fee to reflect additional services, if any, required of us to achieve these objectives.

In providing our services, we will consult with the District with respect to matters of accounting, financial reporting, or other significant business issues. Accordingly, time necessary to effect a reasonable amount of such consultation is reflected in our fee. However, should a matter require research, consultation, or audit work beyond that amount, Cherry, Bekaert & Holland, L.L.P. and the District will agree to an appropriate revision in services and fee.

Except for any changes in fees, which may result from the circumstances described above, our fees will be limited to those set forth below.

### **FEE**

Financial Audit - Our fees for these services will be based upon our customary billing practices at the time of the engagement. Bills for services will be rendered as work progresses and are due within 30 days from invoice date. The Florida Prompt Payment Act governs the payment of invoices in the State of Florida.

The fee for our audit as described in this letter will not exceed \$93,000. This fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Any modification to the fee shall be in writing and signed by both parties. You agree to pay all costs of collection (including reasonable attorneys' fees) that we may incur in connection with the collection of unpaid invoices.

### **LIMITATIONS OF THE AUDITING PROCESS**

Our audit will include procedures designed to obtain reasonable assurance of detecting misstatements due to errors or fraud that are material to the financial statements. Absolute assurance is not attainable because of the nature of audit evidence and the characteristics of fraud. For example, audits performed in accordance with GAAS are based on the concept of selective testing of the data being examined and are, therefore, subject to the limitation that material misstatements due to errors or fraud, if they exist, may not be detected. Also, an audit is not designed to detect matters that are immaterial to the financial statements. In addition, an audit conducted in accordance with GAAS does not include procedures specifically designed to detect illegal acts having an indirect effect (e.g., violations of fraud and abuse statutes that result in fines or penalties being imposed on the District) on the financial statements.

As required by the Single Audit Act Amendments of 1996 and OMB Circular A-133, our audit will include tests of transactions related to major federal award programs for compliance with applicable laws and regulations and the provisions of contracts and grant agreements. 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 errors, fraud, other illegal acts, or noncompliance may exist and not be detected by us. In addition, an audit is not designed to detect immaterial errors, fraud, or other illegal acts or illegal acts that do not have a direct effect on the basic financial statements or to major programs. It should be recognized that our audit generally provides no assurance that illegal acts will be detected, and only reasonable assurance that illegal acts having a direct and material effect on the determination of financial statement amounts will be detected. However, we will inform you with respect to material errors and fraud, or illegal acts that come to our attention during the course of our audit. We will include such matters in the reports as required for a Single Audit.

If, for any reason, we are unable to complete the audit, or are unable to form or have not formed an opinion on the basic financial statements, we may decline to express an opinion or decline to issue a report as a result of the engagement.

### **RESPONSIBILITIES AS TO INTERNAL CONTROLS**

As a part of our audit, we will consider the District's internal control structure, as required by auditing standards generally accepted in the United States of America and *Government Auditing Standards*, sufficient to plan the audit and to determine the nature, timing, and extent of auditing procedures necessary for expressing our opinion concerning the basic financial statements. You recognize that the basic financial statements and the establishment and maintenance of an effective internal control over financial reporting are the responsibility of management. You also recognize that management is responsible for identifying and ensuring that the entity complies with the laws and regulations applicable to its activities. Appropriate supervisory review procedures are necessary to provide reasonable assurance that adopted policies and prescribed procedures are adhered to and to identify errors, fraud, or illegal acts. An audit is not designed to provide assurance on internal control. As part of our consideration of the District's internal control structure, however, we will inform you of matters that come to our attention that

represent significant deficiencies in the design or operation of the internal control structure, if any, as required by OMB Circular A-133.

As required by OMB Circular A-133, we will perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements, applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to OMB Circular A-133.

You are also responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the District involving (a) management, (b) employees who have significant roles in internal control, and (c) others where the fraud 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 affecting the company received in communications from employees, former employees, regulators, or others.

### **RESPONSIBILITIES AS TO COMPLIANCE**

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

OMB Circular A-133 requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of the applicable procedures described in the OMB Circular A-133 Compliance Supplement for the types of compliance requirements that could have a direct and material effect of each of the District's major programs. The purpose of those procedures will be to express an opinion on the District's compliance with requirements applicable to major programs in our report on compliance issued pursuant to OMB Circular A-133.

### **REPRESENTATION FROM MANAGEMENT**

Management is responsible for the fair presentation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America, for making all financial records and related information available to us, and for identifying and ensuring that the entity complies with the laws and regulations applicable to its activities. Management is also responsible for adjusting the financial statements to correct material misstatements. Additionally, as required by OMB Circular A-133, it is management's responsibility to follow up and take corrective action on prior audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan. The summary schedule of prior audit findings and the corrective action plan should be made available to us during the course of our engagement. Management, at the conclusion of the engagement, will provide to us a representation letter that, among other things, addresses these matters and confirms certain representations made during the audit, including, to the best of their knowledge and belief, the absence of fraud involving management or those employees who have significant roles in the entity's internal control, or others where it could have a

material effect on the basic financial statements. The representation letter will also affirm to us that management believes that the effects of any uncorrected misstatements aggregated pertaining to the current year financial statements are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Cherry, Bekaert & Holland, L.L.P. will rely on the District's management providing these representations to us, both in the planning and performance of the audit, and in considering the fees that we will charge to perform the audit. Because we will be relying on management's representations, you agree to indemnify Cherry, Bekaert & Holland, L.L.P., and its partners and employees, and hold them harmless from all claims, liabilities, losses, and costs arising in circumstances where there has been a knowing misrepresentation by an officer or employee of the District regarding fraud or suspected fraud regardless of whether such officer or employee was acting in the Company's interest, and *even if Cherry, Bekaert & Holland, L.L.P. acted negligently or wrongfully in failing to uncover or detect such misrepresentation regarding fraud or suspected fraud.* This indemnification will survive termination of this letter.

### **COMMUNICATIONS**

At the conclusion of the engagement, we will provide management, in a mutually agreeable format, our recommendations designed to help the District make improvements in its internal control structure and operations, and other matters that may come to our attention (see "Responsibilities as to Internal Controls" above).

As part of this engagement we will ensure that certain additional matters are communicated to the appropriate members of management and the District Board. Such matters include (1) our responsibility under auditing standards generally accepted in the United States of America; (2) the initial selection of and changes in significant accounting policies and their application; (3) our independence with respect to the entity; (4) the process used by management in formulating particularly sensitive accounting estimates and the basis for our conclusion regarding the reasonableness of those estimates; (5) audit adjustments that could, in our judgment, either individually or in the aggregate be significant to the financial statements or our report; (6) any disagreements with management concerning a financial accounting, reporting or auditing matter that could be significant to the financial statements; (7) our views about matters that were the subject of management's consultation with other accountants about auditing and accounting matters; (8) major issues that were discussed with management in connection with the retention of our services, including, among other matters, any discussions regarding the application of accounting principles and auditing standards; (9) management is responsible for preparing the Management's Discussion and Analysis which is an integral part of the District's financial report and (10) serious difficulties that we encountered in dealing with management related to the performance of the audit.

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

### **ACCESS TO WORKING PAPERS**

The working papers for the engagement are the property of Cherry, Bekaert & Holland, L.L.P. and constitute confidential information. Except as discussed below, any requests for access to our working papers will be discussed with you prior to making them available to requesting parties.

The workpapers for this engagement will be retained for a minimum of three years after the date the auditors' report is issued or for any additional period requested by the District. If we are aware that a

federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the workpapers.

Our Firm, as well as all other major accounting firms, participates in a "peer review" program, covering our audit and accounting practices. This program requires that once every three years we subject our quality assurance practices to an examination by another accounting firm. As part of the process, the other firm will review a sample of our work. It is possible that the work we perform for you may be selected by the other firm for their review. If it is, they are bound by professional standards to keep all information confidential. If you object to having the work we do for you reviewed by our peer reviewer, please notify us in writing.

#### **USE OF THIRD PARTY SERVICE PROVIDERS**

The firm may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of our information. Accordingly, we maintain internal policies, procedures and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, the firm will remain responsible for the work provided by any such third-party service providers.

#### **SUBPOENAS**

In the event we are requested or authorized by you or required by government regulation, subpoena, or other legal process to produce our working papers or our personnel as witnesses with respect to our engagement for you, you will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expense, as well as the fees and expenses of our counsel, incurred in responding to such a request.

#### **OTHER MATTERS**

If any dispute, controversy or claim arises in connection with the performance or breach of this agreement, either party may, on written notice to the other party, request that the matter be mediated. Such mediation would be conducted by a mediator appointed by and pursuant to the rules of the American Arbitration Association (AAA) or such other neutral facilitator acceptable to both parties. Both parties would exert their best efforts to discuss with each other in good faith their respective positions in an attempt to finally resolve such dispute, controversy, or claim.

Client and accountant both agree that any dispute over fees charged by the accountant to the client will be submitted for resolution by arbitration in accordance with the Rules for Professional Accounting and Related Services Disputes of the AAA. Any award rendered by the Arbitrator pursuant to this Agreement may be filled and entered and shall be enforceable in the Superior Court of the County in which the arbitration proceeds. *In agreeing to arbitration, we both acknowledge that, in event of a dispute over fees charge by the accountant, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury and instead we are accepting the use of arbitration for resolution.*

The prevailing party shall be entitled to an award of reasonable attorneys' fees and costs incurred in connection with the arbitration of the dispute in an amount to be determined by the arbitrator.

If the foregoing is in accordance with your understanding, please sign a copy of this letter in the space provided and return it to us. If you have any questions, please call Troy Manning at 727-822-8811.

Very truly yours,

**CHERRY, BEKAERT & HOLLAND, L.L.P.**

*Cherry, Bekaert & Holland, L.L.P.*

Enclosure

RESPONSE:

This letter correctly sets forth the understanding of the School Board of Sarasota County.

By: *MOC*

Title: *CFO*

Date: *6/5/08 - signed*

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_