

**FARMAND, FARMAND & FARMAND, P.A.**

CERTIFIED PUBLIC ACCOUNTANTS

A. B. FARMAND, C.P.A.  
TERRY B. FARMAND, C.P.A.  
MIKE B. FARMAND, C.P.A.

MEMBER:  
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS  
FLORIDA INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

4237 ATLANTIC BLVD.  
JACKSONVILLE, FLORIDA 32207  
904/396-6838

303 CENTRE STREET  
SUITE 201  
FERNANDINA BEACH, FLORIDA 32034  
904/261-0114

October 31, 1988

Honorable T. J. (Jerry) Greeson  
Board of County Commissioners  
Nassau County  
Fernandina Beach, Florida 32034

Dear Jerry:

We would like to express our sincere appreciation to the members of the Nassau County Board of County Commissioners for accepting our proposal dated July 12, 1988, copy attached, to renew our contract with the Board for auditing services to Nassau County.

Enclosed is an original and two copies of the contract with the Board of County Commissioners to provide such auditing services to Nassau County. We believe that this contract includes all of the provisions that were agreed upon by us and by the Commission at its meeting held on July 12, 1988, in Callahan, Florida. Please have the contract executed and return a signed copy for our files.

We fully understand and recognize the importance of these audits to the Board of County Commissioners and pledge a continuation of our professional, cooperative and helpful services.

Again, we wish that you please express our thanks to the members of the Board of County Commissioners for their selection of our firm to continue to provide the County with auditing services.

Thank you very much for your cooperation and assistance. If you have any questions or need any further information, please do not hesitate to contact me.

Sincerely,

FARMAND, FARMAND & FARMAND, P.A.

*A. B. Farmand*

A. B. Farmand  
Certified Public Accountants

ABF/mlb

Enclosure

## CONTRACT

This contract entered into this 12th day of July, 1988, between the Nassau County Board of County Commissioners, Nassau County, Florida, hereafter referred to as "County" and Farmand, Farmand & Farmand, P.A., Certified Public Accountants, hereafter referred to as "Auditors."

The parties hereto agree as follows:

1. The Auditors shall conduct examinations of the records, accounts, and procedures of the Nassau County Board of County Commissioners including the Supervisor of Elections, Nassau County Clerk of the Circuit Court, Nassau County Tax Collector, Nassau County Sheriff, Nassau County Property Appraiser, and Nassau County Recreation and Water Conservation and Control District No. 1 - a dependent special district, for the fiscal years Ending September 30, 1988, 1989, 1990, 1991 and 1992.
2. The examinations shall be made of all the funds and account groups of the Nassau County Board of County Commissioners including the Supervisor of Elections, Nassau County Clerk of the Circuit Court, Nassau County Tax Collector, Nassau County Sheriff, Nassau County Property Appraiser and Nassau County Recreation and Water Conservation and Control District No. 1 - a dependent special district.
3. The examinations shall be financial and compliance audits as defined by Florida Statutes; Chapter 10.550, Rules of the Auditor General, for County Audits; Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the U.S. General Accounting Office; the Single Audit Act of 1984; and the provisions of OMB Circular A-128, Audits of State and Local Governments.
4. The County shall provide adequate space for the Auditors to efficiently conduct the examinations. The County shall also provide the Auditors with appropriate staff members to reproduce documents, pull documents and whenever possible and practicable, prepare certain designated schedules.

5. The Auditors shall observe the adequacy of the system of internal control. If weaknesses are noted, appropriate recommendations should be reviewed with the appropriate public officials.
6. The examinations shall be made in accordance with generally accepted auditing standards, Rules of the Auditor General; Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the U.S. General Accounting Office; the Single Audit Act of 1984; the provisions of OMB Circular A-128, Audits of State and Local Governments.
7. The primary purpose of the examinations is to express an opinion on the financial statements. Such examinations are subject to the inherent risk that errors or irregularities may not be detected. If conditions are discovered which lead to the belief that material errors, defalcations, or other irregularities may exist, the Auditors will promptly notify the County.
8. The Auditors shall express unqualified opinions on the financial statements of all funds of the entire County report, Board of County Commissions, Clerk of the Circuit Court, Tax Collector, Sheriff, Property Appraiser and Recreation and Water Conservation and Control District No. 1 - a dependent special district. If unable to express unqualified opinions, the Auditors shall state the reasons for qualifications or disclaimers of opinion.
9. The Auditors shall hold exit conferences with the Board of County Commissioners, Clerk of the Circuit Court, Tax Collector, Sheriff, Property Appraiser and Recreation and Water Conservation and Control District No. 1 - a dependent special district as required by Law and the Rules of the Auditor General at the conclusion of each year's examinations.

10. The Auditors shall provide the County as many copies as needed of the entire County Report which will include the report on the County taken as a whole and the reports of the following Nassau County Component units: the Board of County Commissioners, oversight unit; Clerk of the Circuit Court; Tax Collector; Sheriff; Property Appraiser; and the Recreation and Water Conservation and Control District No. 1 - a dependent special district.
  
11. The County shall pay the Auditors their standard billing rates for services rendered, but not to exceed \$59,000 for the examination of the 1987-88 financial statements, \$60,750 for the examination of the 1988-89 financial statements, \$62,500 for the examination of the 1989-90 financial statements, \$62,500 for the examination of the 1990-91 financial statements, and \$62,500 for the examination of the 1991-92 financial statements, plus out of pocket expenses.

If unusual circumstances are encountered making it necessary for the Auditors to do additional work, the Auditors shall immediately report such conditions to the County and both parties may negotiate such additional compensation as appears justified.

Periodic progress billings shall be submitted as work progresses, but not more often than twice a month.

12. This contract is for a five year duration, however, the Board of County Commissioners may terminate this agreement after the completion of any one year provided that the Auditor General of the State of Florida determines that he is going to audit the records of the County for that year or if the County does not budget any funds for the purpose of audits for that year. If the County does not budget any funds for audits, then an audit shall not be performed of the County for that year by any auditing firm. The termination shall be made in writing prior to the end of May of the fiscal year to be audited.

IN WITNESS WHEREOF, the parties have signed this agreement as of the day and year herein first above written.

Nassau County Board of County Commissioners

BY: Charles A. Pickett Chairman

ATTEST:

J. H. Hines Clerk of Circuit Court

Farmand, Farmand & Farmand, P.A., Certified Public Accountants

BY: A. B. Farmand, CPA Officer

# FARMAND, FARMAND & FARMAND, P.A.

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July 12, 1988

Honorable Board of County Commissioners  
Nassau County, Florida

Dear Board Members:

This letter represents our proposal to renew our contract with the Board for auditing services. As you know, the examination of the accounts and records for the year ended September 30, 1987 was the last year of the five-year contract.

We have performed the examinations of your financial statements for the past several years. As you may recall, the original contract was obtained under competitive negotiations, and the Board secured a good contract at a very reasonable fee. Our annual audit fees have increased approximately 2% per year from the original contract amount.

We propose to renew the contract for an additional five year period at the following rates:

Fiscal year ended September 30, 1988	\$59,000.00
Fiscal year ended September 30, 1989	60,750.00
Fiscal year ended September 30, 1990	62,500.00
Fiscal year ended September 30, 1991	62,500.00
Fiscal year ended September 30, 1992	62,500.00

As you can see from the above schedule, the annual increase for the first three years is less than 3% per year. In addition, the requested increase calculates to less than 1.3% per year for the contract period.

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March 15, 1989

Honorable T.J. "Jerry" Greeson  
Board of County Commissioners  
Nassau County  
Fernandina Beach, Florida 32034

Dear Jerry,

Pursuant to our discussion this date, enclosed is an addendum to the contract dated July 12, 1988 between the Board of County Commissioners and Farmand, Farmand & Farmand, P.A., Certified Public Accountants to perform audit services.

The contract addendum is to clarify the billings for audit services rendered and to be rendered to the Recreation and Water Conservation and Control District No. 1 - a dependent special district. This clarification is to include an additional paragraph to Section 11 of the contract dated July 12, 1988 similar to the last paragraph of the contract addendum dated July 14, 1987 amending the previous contract dated April 19, 1983.

Thank you very much for your cooperation and assistance. If you have any questions or need any further information, please do not hesitate to contact me.

Sincerely,

FARMAND, FARMAND & FARMAND, P.A.  
Certified Public Accountants

*A.B. Farmand*  
A.B. Farmand, C.P.A.

ABF/alb

CONTRACT ADDENDUM

This represents an addendum to the contract entered into on the 12th day of July, 1988, between the Nassau County Board of County Commissioners, Nassau County, Florida, hereafter referred to as "County" and Farmand, Farmand & Farmand, P.A., Certified Public Accountants, hereafter referred to as "Auditors".

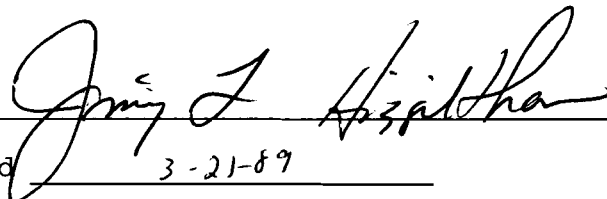
The parties hereto agree that the following paragraph be added to Section 11 of the contract dated July 12, 1988 as the second paragraph of that section:

"The above fees as listed in the previous paragraph shall be for the examinations of the financial statements of Nassau County, Board of County Commissioners, Sheriff, Tax Collector, Clerk of the Circuit Court, and Property Appraiser. The fee for the Recreation and Water Conservation and Control District No. 1 shall be billed directly to the District based on our billable rates, even though the District's report will be included with the entire County Report."

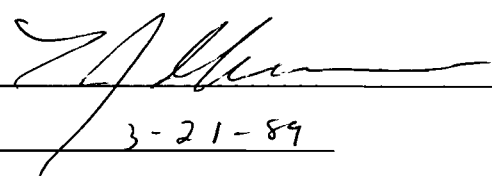
The remainder of the contract remains the same and there are no other changes except for the addition mentioned above.

IN WITNESS THEREOF, the parties have signed this agreement this 15th day of March, 1989.

Nassau County Board of County Commissioners

By  Board Chairman  
Dated 3-21-89

Attest:

By  Clerk of Circuit Court  
Dated 3-21-89

Farmand, Farmand & Farmand, P.A., Certified Public Accountants

By A. B. Farmand, CPA Officer  
Dated 3-15-89