

AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT made this 1st day of APRIL, 2018,

BETWEEN: TOWNSHIP OF TOMS RIVER, a municipal corporation of the
State of New Jersey, having its principal offices located at
33 Washington Street, Toms River, New Jersey 08753,
hereinafter referred to as "TOWNSHIP",

AND: HOLMAN, FRENIA & ALLISON, P.C.
Certified Public Accountants, with offices located at
912 Highway 33, Suite 2, Freehold, New Jersey 07728,
hereinafter referred to as "AUDITOR";

WHEREAS, the Township Council awarded contracts by way of resolution to various business entities for services provided in the 2017 calendar year; and

WHEREAS, resolution of the Township Council dated January 2, 2018, authorized an extension of certain professional service contracts to March 31, 2018, at the same rates approved in 2017, subject to the availability of funds and the adoption of the 2018 budget; and

WHEREAS, resolution of the Township Council dated March 13, 2018, authorized a professional auditing service contract with the firm of Holman, Frenia & Allison, P.C., for the term commencing April 1, 2018 up to and including December 31, 2018, at the hourly rates for Partners: \$145.00; Manager: \$115.00; Supervisor: \$90.00, Senior Staff: \$75.00 and Staff: \$65.00, contingent upon the execution of a contract, the availability of funds and the adoption of the CY18 budget.

1. SCOPE OF SERVICES:

Auditor will perform the professional services, per their Proposal dated December 1, 2017, ordinarily provide by a Registered Municipal Accountant of the State of New Jersey, for the 2018 calendar year, including the audit of the accounts and financial

transactions for the 2018 fiscal year. The audit will be made in accordance with generally accepted auditing standards, generally accepted government auditing standards, the Federal and State Single Audit Acts, and the requirements of the Division of Local Government Services. The Audit will include such tests of the accounting records of the Township and other procedures as considered necessary to enable the Auditor to express an unmodified opinion that the financial statements are fairly presented, in all material respects, in conformity with Division of Local Government Services accounting principles of the United States of America. If an opinion is other than unmodified, the auditor will fully discuss the reasons with the Township in advance.

The audit is not specifically designed and cannot be relied on to disclose reportable conditions, that is, significant deficiencies in the design or operation of the internal control structure. However, during the audit, if the Auditor becomes aware of such reportable conditions or ways that it is believed management practices can be improved, the Auditor will communicate them to the Township in a separate letter.

The Auditor's procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors and banks. The Auditor will request written representations from the Township attorneys as part of the engagement, and they may bill the Township for responding to this inquiry. At the conclusion of the audit, the Auditor will also request certain written representations from the Township about the financial statements and related matters.

An audit is based primarily on the selective testing of accounting records and related data; therefore, the audit will involve judgment about the number of transactions to be examined and the areas to be tested. Because the Auditor 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. The Auditor will advise the Township, however, of any matters of that nature that come to their attention. The responsibility as Auditors is limited to the period covered by the audit and does not extend to matters that might arise during any later periods for which they are not engaged as Auditors.

The Auditor understands that the Township will provide the basic information required for an audit and that the Township is responsible for the accuracy and completeness of that information. The Auditor will advise about appropriate accounting

principles and their application and will assist in the preparation of financial statements, but the responsibility for the financial statements remains with the Township. This responsibility includes the maintenance of adequate records and related controls, the selection and application of accounting principles and the safeguarding of assets.

The Auditors will also perform the services mentioned in the Work Plan.

The Auditor will also be available to offer any other assistance deemed necessary by the Township.

2. WORK PLAN:

Phase I - Audit Preparation Stage

- Review prior year's audit report, including the notes to the financial statements.
- Review prior year's Management Letter comments.
- Review prior year's Corrective Action Plan that was prepared in response to the Management Letter comments.
- Meet with key personnel to discuss Auditor's approach to the engagement so that it can be conducted in the most effective and efficient manner.
- Review changes, if any, in applicable statutes and regulations.
- Review minutes of Council meetings.
- Review federal and state grant documents.
- Review the interim financial reports and results of current operations in relation to the adopted budget.
- Develop the preliminary auditing programs Auditor will employ in the various areas, such programs to be updated in Phase II.

Phase II - Accounting Systems and Evaluation of Internal Accounting Controls

- Review the existing accounting system. Such review would include updating Auditor's documentation of system flowcharts, analysis of system strengths and weaknesses, and formulation of a preliminary evaluation of the adequacy of internal controls in the system.
 - Perform tests of transactions to the extent necessary in the circumstances.
- The results of such tests will either confirm or reject Auditor's evaluation of the internal control system.
- Bring all significant findings in Auditor's observations on internal controls and other matters to the attention of the administration for timely action.
 - Review interim financial information as available.

- Identify, to the extent possible, all potential accounting and auditing problems; review such problems with key personnel and develop proposed solutions.
- Prepare requests for confirmation of cash balances, receivables and debt obligations.
- Prepare requests for legal counsel's responses as to the nature and status of legal matters.

Phase III - Examination of Year-End Account Balances

- Confirm account balances with banks and other parties; summarize and evaluate responses.
- Perform various audit procedures, including examination of supporting documentation to verify reasonableness of assets, liabilities, revenues, expenses and retained earnings.
- Update the audit program, if necessary, for Auditor's audit of year-end account balances.
- Determine the need for the calculation of arbitrage rebate.
- Obtain representation letter regarding completeness of disclosure and integrity of accounting records.
- Prepare draft management letter and review with appropriate personnel.

Phase IV - Reporting

- Review draft financial statements with appropriate personnel.
- Prepare interim and final management letters.
- Present audit report to the Audit Committee.

Phase V - Other

- Comply with other requirements of the Division of Local Government Services, such as the presentation of synopsis of the audit.
- Attend meetings as required by the Township.

3. FEES:

Partners: \$145.00 per hour, Manager: \$115.00 per hour, Supervisor: \$90.00 per hour, Senior Staff: \$75.00 per hour, and Staff: \$65.00 per hour.

4. Term of Contract: April 1, 2018 up to and including December 31, 2018.

5. The Township may terminate this Agreement with or without cause upon thirty (30) days' prior written notice to "Auditor".

6. Mandatory Equal Employment Opportunity Language, Exhibit A, is attached hereto, and made a part of this Agreement.
7. Auditor shall submit either (1) a photocopy of a valid letter that the vendor is operating under an existing Federally approved or sanctioned affirmative action program (good for one year from the date of issuance, or (2) a photocopy of a Certificate of Employee Information Report approval, issued in accordance with N.J.A.C. 17:27-1.1 et seq., of (3) a photocopy of an Initial Employee Information Report (Form AA-302) provided by the Division of Public Contracts Equal Employment Opportunity Compliance and distributed to the Township of Toms River to be completed by the vendor in accordance with N.J.A.C. 17:27-1.1 et seq., prior to any payments being made under this contract.
8. The Township of Toms River and Auditor for themselves, their heirs, executors, administrators, successors or assigns, hereby agree to the full performance of the covenants herein contained.
9. This contract has been awarded in accordance with a Fair and Open Process pursuant to the provisions of N.J.S.A. 19:44A-20.4 et seq.

IN WITNESS WHEREOF, the Township Council has caused these

presents to be signed by its Mayor and attested to by its Township Clerk, and by the Auditor attested to by a Notary Public of the State of New Jersey.

ATTEST:


DESTINY REYNOLDS
DEPUTY TOWNSHIP CLERK

TOWNSHIP OF TOMS RIVER


By: _____

THOMAS F. KELAHER
MAYOR

ATTEST:

HOLMAN, FRENIA & ALLISON, PC


By: _____

EXHIBIT A

MANDATORY EQUAL EMPLOYMENT OPPORTUNITY LANGUAGE

N.J.S.A. 10:5-31 et seq. (P.L. 1975, C. 127) N.J.A.C. 17:27

GOODS, PROFESSIONAL SERVICE AND GENERAL SERVICE CONTRACTS

During the performance of this contract, the contractor agrees as follows:

The contractor or subcontractor, where applicable, will not discriminate against any employee or applicant for employment because of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Except with respect to affectional or sexual orientation and gender identity or expression, the contractor will ensure that equal employment opportunity is afforded to such applicants in recruitment and employment, and that employees are treated during employment, without regard to their age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Such equal employment opportunity shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Public Agency Compliance Officer setting forth provisions of this nondiscrimination clause.

The contractor or subcontractor, where applicable will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex.

The contractor or subcontractor will send to each labor union, with which it has a collective bargaining agreement, a notice, to be provided by the agency contracting officer, advising the labor union of the contractor's commitments under this chapter and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

The contractor or subcontractor, where applicable, agrees to comply with any regulations promulgated by the Treasurer pursuant to N.J.S.A. 10:5-31 et seq., as amended and supplemented from time to time and the Americans with Disabilities Act.

The contractor or subcontractor agrees to make good faith efforts to meet targeted county employment goals established in accordance with N.J.A.C. 17:27-5.2.

The contractor or subcontractor agrees to inform in writing its appropriate recruitment agencies including, but not limited to, employment agencies, placement bureaus, colleges, universities, and labor unions, that it does not discriminate on the basis of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex, and that it will discontinue the use of any recruitment agency which engages in direct or indirect discriminatory practices.

The contractor or subcontractor agrees to revise any of its testing procedures, if necessary, to assure that all personnel testing conforms with the principles of job-related testing, as established by the statutes and court decisions of the State of New Jersey and as established by applicable Federal law and applicable Federal court decisions.

In conforming with the targeted employment goals, the contractor or subcontractor agrees to review all procedures relating to transfer, upgrading, downgrading and layoff to ensure that all such actions are taken without regard to age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex, consistent with the statutes and court decisions of the State of New Jersey, and applicable Federal law and applicable Federal court decisions.

The contractor shall submit to the public agency, after notification of award but prior to execution of a goods and services contract, one of the following three documents:

Letter of Federal Affirmative Action Plan Approval

Certificate of Employee Information Report

Employee Information Report Form AA302 (electronically provided by the Division and distributed to the public agency through the Division's website at www.state.nj.us/treasury/contract_compliance)

The contractor and its subcontractors shall furnish such reports or other documents to the Division of Public Contracts Equal Employment Opportunity Compliance as may be requested by the office from time to time in order to carry out the purposes of these regulations, and public agencies shall furnish such information as may be requested by the Division of Public Contracts Equal Employment Opportunity Compliance for conducting a compliance investigation pursuant to Subchapter 10 of the Administrative Code at N.J.A.C. 17:27.