

**Exhibit C**  
**Recordkeeping, Inspection and Audit Procedures**  
**City of Pompano Beach Fishing Pier**  
**Pier Bait & Tackle License Agreement**

**A. RECORDKEEPING, RECORDS RETENTION AND AUDIT ACCESS**

1. CONTRACTOR shall keep full and complete daily records of concession gross sales and expenses resulting from all related services authorized in this agreement.
2. CONTRACTOR shall install and maintain a system for keeping such records of (including but not limited to) all revenue, sales, including entrance fees and all related services as may be reasonably required by the City in accordance with generally accepted accounting principles.
3. CONTRACTOR shall purchase and maintain at its cost an integrated inventory system for recording merchandise bought and sold, which shall include a point of sale system (POS), revenue cash register/system with integrated updating capabilities. Integrated capabilities for inventory and point of sale revenue systems shall be defined as having the capability for the following:
  - a) Each unit of merchandise sold in the point of sales revenue system shall be on a real time update basis or on a batch update basis correspondingly updating the inventory system and available units for sale in inventory and point of sale revenue systems.
  - b) Each unit of merchandise ordered in the inventory system shall be on a real time update basis, or on a batch update basis correspondingly updating the available units for sale in inventory and point of sale revenue systems.
  - c) Detailed and summary reports for the inventory and point of sale revenue system will be run separately for each individual location(s) as detailed in this agreement on a monthly basis. Monthly inventory and point of sale revenue reports shall be run for each location(s) separately, and shall not be combined or data intermixed.
  - d) Each entrance fee shall be recorded as a point of sale in the sales revenue system and be on a real time update or on a batch update basis correspondingly updating the total counts for entrance fees paid and point of sale revenue for the entrance fee.
  - e) The batch update process shall be done on a daily basis at the close of business day for each location(s) for units of inventory received during the business day before running the end of business day inventory and point of sale revenue reports.
  - f) The daily detailed point of sale revenue reports for each business day shall record the number of units of merchandise or entrance fees sold for each item, sales price per unit, extended sales amounts, and sales tax collected, with a total summary number for units of merchandise inventory items or entrance fees sold and the final total dollar amount of all daily sales (and showing date, type and dollar amount). The daily sales revenue amounts should roll up into the monthly revenue report.
  - g) Cash register must have the capability to accept credit/debit cards, cash and coin for payment of entrance fee or merchandise sold.
4. CONTRACTOR shall timely pay the amount due City, on the fifteenth (15th) of the following month, and provide to the City's Recreation Program Administrator or her/his designee, all of the summary reports for the

integrated merchandise inventory and point of sale revenue systems, including point of sale revenue for entrance fees supporting the amounts paid by patrons.

End of the month merchandise inventory balance shall be reconciled with the sales amount; for example, the month end inventory balance should equal the beginning month inventory, plus inventory received, less inventory sold. Any differences should be accounted for and explained in detail.

The City's Recreation Program administrator or his designee will timely review the summary monthly reports of integrated merchandise inventory and point of sale revenue system including point of sale revenue for entrance fee. The review shall include agreeing the amount of the inventory sold for the month, with the sales revenue reported.

The City, City Internal Auditor and any party or parties designated by City or all of them shall at reasonable times during normal business hours have the right to inspect, audit and examine all books, papers, and accounting records (including, but not limited to), reports, cash register tapes, ledgers, journals, bank statements, state sales tax, timesheets, work schedules, etc. of CONTRACTOR relating to (including but not limited to) all sales revenue, entrance fees and related services pertinent to this agreement. The failure of CONTRACTOR to produce any of the records described herein following a request by City agents or City Internal Auditor shall be deemed a material breach and City may terminate this agreement pursuant to the terms specified in the agreement. CONTRACTOR agrees to keep all such books, papers, and records at the COPB Pier Bait & Tackle shop or at some mutually agreed upon local place. In addition, the City and its designee shall have the right to review CONTRACTOR'S system of internal controls relating to (including, but not limited to) sales, revenue, bait and tackle services and to suggest needed changes.

Each dealer defined in Chapter 212, Florida Statutes, each licensed wholesaler, and any other person subject to the tax imposed by Chapter 212, Florida Statute, shall keep and preserve, for a period of five years a complete record of all transactions, together with invoices, bills of lading, gross receipts from sales, resale certificates, consumer exemption certificates and other pertinent records and papers as may be required by the Department of Revenue for the reasonable administration of Chapter 212, Florida Statute, and such books of account as may be necessary to determine the amount of tax due thereunder. All such books, invoices, and other records shall be open for inspection by the Department of Revenue or City representatives at all reasonable hours at the dealer's store, sales office, warehouse or place of business located in this state. Any dealer who maintains such books and records at a point outside this state shall make such books and records available for inspection by the Department of Revenue or City representatives at City Hall. Thus, the City requires CONTRACTOR to retain for a period of five years at a minimum: sales journals, general ledgers, disbursement journals, invoices, bank statements, sales and use tax returns, federal income tax returns, payroll ledgers, daily detail transaction register tape and daily final summary reports of cash register activity.

5. CONTRACTOR shall promptly disburse all taxes required by Federal, State, and local authorities and shall pay any applicable taxes relating to sales and operations. Sales tax computed and collected must ensure compliance with all state sales tax provisions currently in force or as may be amended from time to time. Noncompliance with state sales tax regulations, will subject CONTRACTOR to potential penalties.

6. CONTRACTOR shall be responsible for retaining invoices for the purchased merchandise. Invoices for merchandise shall be specific for the location(s) with adequate detailed item dates, quantity and description to document detailed inventory activity for merchandise sales and inventory modules including the percentage mark-up for inventory.

Detailed and separate delivery tickets or any transfer inventory tickets are required for each location(s) for items to document beginning inventory, additions to and subtractions from inventory due to sales, or subtractions due to transfers from one location to another location, or subtractions due to documented physical counts for each location(s).

Monthly reports to City will provide detailed and summary reports of gross sales and inventory for items sold. Gross sales are defined as the grand total of all sale transactions (amounts collected) without any deductions. Gross sales calculated shall include sales tax collected. Gross sales calculated shall “not” be reduced to include the deducted amount and remitted (expensed out) to the appropriate jurisdictions.

7. CONTRACTOR shall provide an annual revenue report, for the end of the annual year. The revenue report will be due to City on the fifteenth (15th) of the following month, and it shall contain similar information as presented in the previous monthly revenue reports.

8. CONTRACTOR shall maintain a separate bank account for the agreement/contract. Bank deposits will be made intact for all sales and the daily sales revenue will not be reduced (netted) for payments for vendor supplies, or inventory merchandise for C.O.D., deliveries.

End of year inventory will be documented and scheduled annually each year on the last day of each year within the period term. Inventory shall be completed by day end of the agreement/contract annual term anniversary month, on the last day of each year within the period term. The City reserves the right to have a City employee present at the inventory count.

The City's monthly compensation is based on the agreed compensation as detailed in the agreement.

#### **B. DAILY OPERATIONS**

1. Customers must receive a sales receipt at the point of sale.
2. A numerical accountability shall be established over the point of sales system (merchandise or entrance fee) for all revenue collected. All point of sales including training transactions, voided transactions etc. shall be maintained to account for the continuity of the numerical accountability. A voided transaction should be marked Void and have a zero-dollar entry as the transaction has been voided. A detailed reason is required for any transaction marked VOID. A transaction for training purposes shall be marked for TRAINING and also have the details on the transaction.
3. All sources of revenue from revenue and sales, including sales tax collected shall be recorded through the POS cash register(s) system. In order to provide for full accountability over sales, the full amount of the sale shall be recorded.
4. In addition, the cash register(s) should provide the control capability to separately account for the use of separate operator(s) or product type code key.