

**TOWN OF GOLDEN BEACH**

**RESOLUTION NO. 2976.24**

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF GOLDEN BEACH, FLORIDA, SELECTING CABALLERO FIERMAN LLERENA & GARCIA, LLP FOR INDEPENDENT EXTERNAL AUDITING SERVICES FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2024; PROVIDING FOR AUTHORIZATION; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the Town of Golden Beach (the "Town") wishes to engage an independent auditor to provide external auditing services (the "Services"); and

**WHEREAS**, the Town Council desires to select the Caballero Fierman Llerena & Garcia, LLP (the "Consultant") to perform the Services and authorize the Town Manager to negotiate an agreement, in substantially the form attached hereto as Exhibit "A," with the Consultant for the fiscal year ending September 30, 2024; and

**WHEREAS**, the Town Council finds that this Resolution is in the best interest and welfare of the residents of the Town.

**NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF GOLDEN BEACH, FLORIDA, AS FOLLOWS:**

**Section 1. Recitals Adopted.** Each of the above stated recitals are hereby adopted, confirmed, and incorporated herein.

**Section 2. Selection.** That the Town Council hereby selects the Consultant for the Services.

**Section 3. Authorization.** That the Town Council hereby authorizes the Town Mayor to execute the Agreement, in substantially the form attached hereto as Exhibit "A",

subject to the final approval of the Town Attorney as to form, content, and legal sufficiency.

**Section 4. Effective Date.** That this Resolution shall be effective immediately upon adoption.

Sponsored by **Town Administration.**

The Motion to adopt the foregoing Resolution was offered by Councilmember Lusskin, seconded by Vice Mayor Einstein, and on roll call the following vote ensued:

Mayor Glenn Singer	<u>Aye</u>
Vice Mayor Bernard Einstein	<u>Aye</u>
Councilmember Judy Lusskin	<u>Aye</u>
Councilmember Jaime Mendal	<u>Absent</u>
Councilmember Kenneth Bernstein	<u>Absent</u>


**PASSED AND ADOPTED** by the Town Council of the Town of Golden Beach, Florida, this 30<sup>th</sup> day of September 2024.



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MAYOR GLENN SINGER

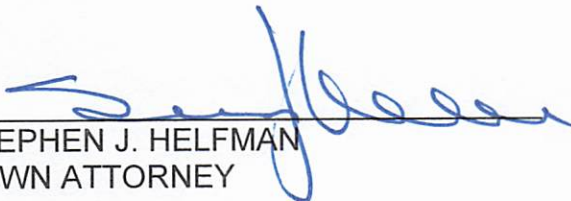
ATTEST:



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LISSETTE PEREZ  
TOWN CLERK

APPROVED AS TO FORM  
AND LEGAL SUFFICIENCY



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STEPHEN J. HELFMAN  
TOWN ATTORNEY



# TOWN OF GOLDEN BEACH

100 Ocean Boulevard  
Golden Beach, FL 33160

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## MEMORANDUM

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**Date:** September 30, 2024

**To:** Honorable Mayor Glenn Singer and  
Town Council Members

**From:** Alexander Diaz,  
Town Manager

**Subject:** Resolution No. 2976.24- Awarding the Auditing Services  
Project to Caballero Fierman Llerena & Garcia, LLP

Item Number:

11

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### **Recommendation:**

It is recommended that the Town Council adopt the attached Resolution No. 2976.24 as presented.

### **Background:**

Earlier this month we were informed that the Town's current auditors were no longer able to perform the Town's General Financial Town's Pension annual audit.

In ensuring that we are able to provide a timely audit for the Fiscal Year ending September 30, 2024 the Mayor, Finance Director and I met to evaluate the proposals and held interviews with Enrique Llerena, CPA Partner with Caballero Fierman Llerena & Garcia, LLP and after careful consideration, we feel that it is the Town's best interest to contract Caballero Fierman Llerena & Garcia, LLP while we formulize our options moving forward.

As such, I ask that you approve the attached Engagement Letter which calls for a one-year engagement.

### **Fiscal Impact:**

Approximately \$58,500 (our average cost for the financial audit by the existing firm) funds have been allocated as part of the FY 2024-2025 Operating Budget.



Accountants  
Advisors

September 15, 2024

Town Council and Town Manager  
Town of Golden Beach  
1 Golden Beach Drive  
Golden Beach, FL 33160

Re: Engagement Letter with Cabal;lero Fierman Llerena & Garcia, LLP ("We", "our", the "Firm", or "us")

We are pleased to confirm our understanding of the services we are to provide Town of Golden Beach, Florida (the Town) for the fiscal year ending September 30, 2024.

**Audit Scope and Objectives**

We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, and the disclosures, which collectively comprise the basic financial statements of the Town as of and for the fiscal year ending September 30, 2024. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Town's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Town's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis
- 2) Budgetary Comparison Schedules
- 3) Schedule of Changes in the Town's Net Pension Liability and Related Ratios
- 4) Schedule of Town Contributions
- 5) Schedule of Investment Returns
- 6) Schedule of Changes in Total Other Post-Employment Benefits (OPEB) Liability and Related Ratios

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditors' report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

The objectives also include reporting on internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

## **Auditors' Responsibilities for the Audit of the Financial Statements**

We will conduct our audit in accordance with GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of your accounting records of the Town and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable 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 government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. 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 the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

We have identified the following significant risks of material misstatement as part of our audit planning:

- Improper revenue recognition due to fraud
- Management override of controls

We 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 your 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, we will remain responsible for the work provided by any such third-party service providers.

Our audit of financial statements does not relieve you of your responsibilities.

### **Audit Procedures—Internal Control**

We will obtain an understanding of the government and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. 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. 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*. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed

to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

#### **Audit Procedures—Compliance**

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 in our report on compliance issued pursuant to *Government Auditing Standards*.

We will perform, in accordance with Chapter 10.550, Rules of the Auditor General of the State of Florida, an examination pursuant to *AICPA Professional Standards*, AT-C Section 315 regarding the compliance of the Town with 218.415, Florida Statutes, Local Government Investment Policies. There is no additional cost for this service.

#### **Other Services**

We will also assist in preparing the financial statements and related notes of the Town in conformity with accounting principles generally accepted in the United States of America based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

#### **Responsibilities of Management for the Financial Statements**

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with accounting principles generally accepted in the United States of America, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us; for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers); and for the evaluation of whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for the 12 months after the financial statements date or shortly thereafter (for example, within an additional three months if currently known). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS and *Government Auditing Standards*.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written 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 of each opinion unit 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 affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your

responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud 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 government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, or contracts or grant agreements that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with accounting principles generally accepted in the United States of America (GAAP). You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to [include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon]. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

#### **Engagement 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.

We will provide copies of our reports to the Town; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Caballero Fierman Llerena & Garcia, LLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner 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 the 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 Caballero Fierman Llerena & Garcia, LLP 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.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by you or a federal/state agency. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Enrique Llerena, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. Our fee for these services will be 85% of our standard hourly rates. Our standard hourly rates are:

Partner	\$ 450
Senior Manager	\$ 350
Manager	\$ 300
Supervisor	\$ 220
Senior	\$ 185
Staff	\$ 165

We estimate our fee to be \$58,500 for the fiscal year ending September 30, 2024. 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. 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 parties to this engagement agree that any dispute that may arise regarding the meaning, performance, or enforcement of this engagement will be submitted to mediation, either prior to the filing of any legal action, or upon service of any lawsuit, upon written request of any party to the engagement. The party requesting mediation shall select the mediation provider from the list of mediation training providers approved by the Florida Supreme Court. The mediation shall be conducted in accordance with the Commercial Mediation Rules of the American Arbitration Association or such other rules as may be agreed upon by the parties. The results of this mediation shall not be binding upon either party. Costs of any mediation proceeding shall be shared equally by both parties. The parties shall be responsible for their own legal fees incurred during the mediation. The venue of the mediation shall be in Miami-Dade County, Florida.

If mediation is unsuccessful, and/or if any legal proceedings are filed, by entering into this engagement, the Town and we each expressly agree and acknowledge that Circuit Court for the Eleventh Judicial Circuit of Florida in and for Miami-Dade County, in Miami, Florida, and the United States District Court for the Southern District of Florida, in Miami, Florida, shall each have exclusive and sole jurisdiction for any action arising from, from relating to or in connection with this engagement letter, or any course of conduct, course of dealing, statement or actions by us or the Town and their respective employees, representatives, or agents. You expressly acknowledge that you voluntarily submit to personal jurisdiction in the State of Florida for any such legal action.

**WE AND THE TOWN EACH HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHT EITHER MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION OR LEGAL PROCEEDINGS BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS ENGAGEMENT LETTER OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENT (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF EITHER US OR THE TOWN.**

The provisions of the immediately preceding last two paragraphs of this engagement letter are each a material inducement for us to accept this engagement in accordance with the provisions of this engagement letter. The terms and provisions of this engagement letter, any course of conduct, course of dealing and/or action on our part and/or by the Town and our relationship with the Town shall be governed by the laws of the State of Florida. In any litigation brought either by us or the Town, the prevailing party shall be entitled to an award of its reasonable attorneys' fees and costs incurred, including through all appeals.

Our audit is intended for the benefit of the Town. The audit will not be planned or conducted in contemplation of reliance by any third party or with respect to any specific transaction. Therefore, items of possible interest to a third party will not be specifically addressed and matters may exist that would be assessed differently by a third party, possibly in connection with a specific transaction.

If you intend to publish or otherwise reproduce the financial statements together with our report (or otherwise make reference to our Firm) in a document that contains other information, you agree to provide us with a draft of the document to read and comment on before it is printed and distributed.

Furthermore, you agree that the terms of this engagement do not encompass an undertaking by us (1) to consent, by means of separate letter or otherwise, to the inclusion of our auditors' report on the financial statements referred to above in a filing with a Federal or state regulatory agency or otherwise reissue our report for purposes of a securities offering or other financing transaction, or (2) to acknowledge reliance on our report by others.

With regard to the electronic dissemination of the audited financial statements, including financial statements published electronically on a 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. Further, you hereby authorize Caballero Fierman Llerena & Garcia, LLP to electronically submit to your employees or to others as you may request or as may be necessary to perform our engagement, any financial statements, workpapers, and other information related to our services under this agreement. By your signature below, you acknowledge and agree to indemnify, defend, release, hold Caballero Fierman Llerena & Garcia, LLP and our personnel harmless from any damages, claims, liabilities, losses, and costs (including fees and costs of counsel and any expert each of our own choosing through all trial and appellate levels) whatsoever that might be caused by the electronic transmission or submission of this data.

As a result of the services we provide to you pursuant to this letter, and/or as a result of our prior or future services to the Town, we and/or our personnel may be required or requested to provide testimony, information or documents (pursuant to a subpoena, court order, or other legal process) to you or a third-party in connection with a legal, arbitration or administrative proceeding (including a grand jury investigation) in which we are not a party. If this occurs, our efforts in complying with such requests or demands will be deemed part of this engagement and we shall be entitled to compensation for our time (at our then current



hourly rates) and reimbursement for all of our out-of-pocket expenditures (including legal fees and costs of counsel of our own choosing through all trial and appellate levels) in complying with such request or demand. This is not intended, however, to relieve us of our duty to observe the confidentiality requirements of our profession.

Because of the importance of your representations to the effective performance of our professional services, you will release us and our personnel from any claims, liabilities, costs, and expenses relating to our services under this engagement and engagement letter attributable to any written and oral misrepresentations made to us and our personnel by you. The provisions of this paragraph shall apply regardless of the form of action, proceeding, investigation, demand, damage, claim, liability, cost, expense, settlement, judgment, fine, penalty, similar award or sanction, or loss asserted, whether in contract, statute, tort (including but not limited to negligence) or otherwise. In the event that we are or may be obligated to pay any cost, liability, loss, settlement, judgment, fine, penalty or similar award or sanction, including without limitation, reasonable attorneys' and expert's fees and expenses (at all trial and appellate levels) as a result of a claim, demand, investigation, or other proceeding (in court, arbitration or otherwise) instituted by any third party, then to the extent that such obligation is or may be a direct or indirect result of your intentional or knowing misrepresentation or provision to us of inaccurate or incomplete information in connection with this engagement, and not any failure on our part to comply with professional standards, you agree to indemnify, defend, release, and hold us and our personnel harmless against all such obligations.

You acknowledge that we must have sufficient time to conduct our engagement. We will require your assistance to provide us with information on a timely basis in order to complete our engagement in an efficient and timely manner. Should we not receive such information and assistance from you with sufficient time to complete our engagement procedures, then you acknowledge that we can give no assurances that our engagement will be completed prior to the date it may be required.

You agree that our maximum liability to you or any third party for any negligent errors or omissions committed by us in the performance of this engagement will be limited to the amount of the fees for this engagement, except to the extent determined to result from strict liability, or our gross negligence or willful misconduct.

In no event will either you or our firm be liable to the other for any special, indirect, incidental, or consequential damages in connection with or otherwise arising out of this engagement and engagement letter, even if advised of the possibility of such damages. In no event shall either you or our firm be liable for exemplary or punitive damages arising out of or related to this engagement and engagement letter.

You agree that you will not, directly or indirectly, agree to assign or transfer any claim against us or our personnel arising out of this engagement to anyone.

You may request that we perform additional permissible services not addressed in this engagement letter. If this occurs, we will communicate with you concerning the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue under the same terms and conditions as those covered by this engagement letter.

This engagement letter reflects the entire agreement between the Town and us relating to the services to be rendered by us. It replaces and supersedes any previous proposals, correspondence and understandings, whether written or oral, except as specifically recited in this engagement letter. If any portion of this engagement letter is held to be void, invalid or otherwise unenforceable, in whole or in part, the remaining portions of this engagement letter shall remain in effect. Any material changes or additions to the terms set forth in this engagement letter will only become effective if evidenced by a written amendment to this engagement letter, signed by all parties. The agreements of the Town and us contained in this engagement letter (including any defense, release, indemnification, and hold harmless provisions) shall survive the completion or termination of this engagement and/or this engagement letter.

## **Reporting**

We will issue a written report upon completion of our audit of the Town's financial statements. Our report will be addressed to the Town Council. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditors' report, or if necessary, withdraw from this engagement. If our opinion is other than unmodified, we will 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 opinions, we may decline to express opinions or issue reports, or we may withdraw from 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 laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will state (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing*

*Standards* in considering the Town's internal control and compliance. The report will also state that the report is not suitable for any other purpose. If during our audit we become aware that the Town is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Any electronic signature transmitted through DocuSign or manual signature on this engagement letter transmitted by facsimile or by electronic mail may be considered an original signature. Counterpart signatures are acceptable. By acknowledging acceptance of the terms of this engagement, each of the person(s) who has executed this engagement letter, below, represents and warrants that each such person has the authority from the Town to employ us on the terms and conditions set forth herein.

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 and return it to us.

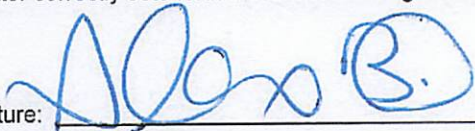
**This engagement letter is renewable upon mutual agreement.**

Very truly yours,

Enrique Llerena, CPA  
Partner  
Caballero Fierman Llerena & Garcia, LLP

RESPONSE:

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

Signature:  \_\_\_\_\_

Title: Town Manager \_\_\_\_\_

Date: 10/01/24 \_\_\_\_\_