

RESOLUTION NO. 20-03-18

A RESOLUTION OF THE VILLAGE COUNCIL OF ISLAMORADA, VILLAGE OF ISLANDS, FLORIDA; APPROVING THE SIXTH RENEWAL OF AN ENGAGEMENT FOR PROFESSIONAL AUDITING SERVICES WITH MAULDIN & JENKINS, LLC, FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2019; AUTHORIZING THE VILLAGE MANAGER TO EXECUTE THE RENEWAL OF THE PROFESSIONAL AUDITING SERVICES ENGAGEMENT; AUTHORIZING VILLAGE OFFICIALS TO IMPLEMENT THE TERMS AND CONDITIONS OF THE PROFESSIONAL AUDITING SERVICES ENGAGEMENT; AUTHORIZING THE EXPENDITURE OF BUDGETED FUNDS; AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, Section 218.391(2), Florida Statutes, sets forth the statutory procedures for the selection of an auditor to conduct the annual financial audit of Islamorada, Village of Islands (the “Village”); and

WHEREAS, on April 25, 2013, the Village Council of Islamorada, Village of Islands (the “Village Council”) adopted Resolution No. 13-04-20, thereby establishing an Audit Committee pursuant to Section 218.391, Florida Statutes; and

WHEREAS, in accordance with the requirements of Section 218.391, the Audit Committee established factors to use for the evaluation of audit services, publicly announced requests for proposals, provided interested firms with said request for proposals and evaluated the proposals provided by qualified firms; and

WHEREAS, the Audit Committee ranked and recommended no fewer than three (3) firms deemed to be the most highly qualified to perform the required services, after considering the factors established pursuant to Section 218.391(3)(a); and

WHEREAS, the Village Council adopted Resolution No. 13-04-20, thereby affirming the Audit Committee’s ranking and recommendations and authorizing the Village Manager to

negotiate a contract for professional auditing services with the highest-ranked firm, Mauldin & Jenkins, LLC, for future consideration by the Village Council; and

WHEREAS, on February 13, 2014, the Village Council adopted Resolution No. 14-02-14, thereby approving the Engagement Agreement with Mauldin & Jenkins, LLC for professional auditing services for the Fiscal Year ending September 30, 2013; and

WHEREAS, pursuant to the Engagement Agreement with Mauldin & Jenkins, LLC adopted by Resolution No. 14-02-14 (the “Engagement Agreement”), the engagement may be renewed for four (4) additional one (1) year terms subject to the mutual agreement between the Village and Auditor of terms and conditions for each renewal term, and the Village Council approval for each renewal term; and

WHEREAS, the Village renewed the Engagement Agreement with Mauldin & Jenkins, LLC, to provide professional auditing services to the Village for the first, second third and fourth additional one (1) year terms; and

WHEREAS, at its regular meeting on January 18, 2018, the Village Council agreed to continue to engage the services of Mauldin & Jenkins, LLC, for an additional five (5)-year period instead of establishing an Audit Committee to potentially select a new auditor pursuant to Section 218.391 of Florida Statutes; and

WHEREAS, on January 31, 2019, the Village Council adopted Resolution No. 1-01-04, thereby approving Engagement Agreements with Mauldin & Jenkins, LLC for professional auditing services for the Fiscal Year ending September 30, 2018; and

WHEREAS, the Village Council desires to approve the renewal of a Professional Auditing Services Engagement with Mauldin & Jenkins, LLC, for professional auditing services for the Fiscal Year ending September 30, 2019, as set forth in Exhibit “A” attached hereto; and

WHEREAS, the Village Council desires to approve an additional engagement with Mauldin & Jenkins, LLC, to examine the Village's compliance with Section 218.415, Florida Statutes, regarding the investment of public funds for the Fiscal Year ending September 30, 2019, as set forth in Exhibit "B" attached hereto; and

WHEREAS, the Village Council finds that approval and execution of the Engagement Agreements is in the best interest of the Village.

NOW THEREFORE, BE IT RESOLVED BY THE VILLAGE COUNCIL OF ISLAMORADA, VILLAGE OF ISLANDS, FLORIDA, AS FOLLOWS:

Section 1. **Recitals.** The above recitals are true and correct and are incorporated herein by this reference.

Section 2. **Approval of Professional Auditing Services Engagements.** The Village Council hereby approves the Engagement Agreements between the Village and Mauldin & Jenkins, LLC, to provide professional auditing services and to examine the Village's compliance with Section 218.415, Florida Statutes, regarding the investment of public funds for the Fiscal Year ending September 30, 2019, copies of which are attached hereto as Exhibit "A" and Exhibit "B" respectively, together with such non-material changes as may be acceptable to the Village Manager and approved as to form and legality by the Village Attorney.

Section 3. **Execution of Professional Auditing Services Engagement.** The Village Manager is authorized to execute the Professional Auditing Services Engagement Agreements on behalf of the Village, to execute any required agreements and/or documents to implement the terms and conditions of the Professional Auditing Services Engagements and to execute any extensions and/or amendments to the Engagement Agreements, subject to approval as to form and legality by the Village Attorney.

Section 4. Authorization of Village Officials. The Village Manager and/or his designee and the Village Attorney are authorized to take all actions necessary to implement the terms and conditions of the Engagement Agreements.

Section 5. Authorization of Fund Expenditure. Notwithstanding the limitations imposed upon the Village Manager pursuant to the Village's Purchasing regulations as codified in the Village Code, the Village Manager is authorized to expend budgeted funds to implement the terms and conditions of the Professional Auditing Services Engagements.

Section 6. Effective Date. This Resolution shall become effective immediately upon its adoption.

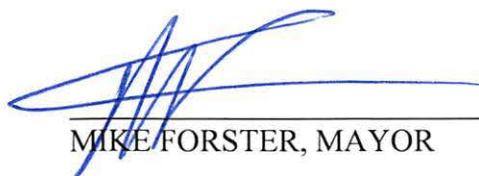
Motion to adopt by Councilwoman Deb Gillis, second by Councilman Chris Sante.

FINAL VOTE AT ADOPTION

VILLAGE COUNCIL OF ISLAMORADA, VILLAGE OF ISLANDS

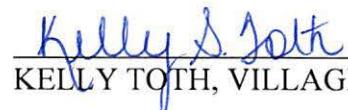
Mayor Mike Forster	YES
Vice Mayor Ken Davis	ABSENT
Councilwoman Deb Gillis	YES
Councilman Jim Mooney	YES
Councilman Chris Sante	YES

PASSED AND ADOPTED on this 5th day of March, 2020.



MIKE FORSTER, MAYOR

ATTEST:



KELLY TOTH, VILLAGE CLERK

APPROVED AS TO FORM AND LEGALITY
FOR THE USE AND BENEFIT OF
ISLAMORADA, VILLAGE OF ISLANDS ONLY



ROGET V. BRYAN, VILLAGE ATTORNEY



February 12, 2020

Honorable Mayor and Council
Islamorada, Village of Islands, Florida
86800 Overseas Highway
Islamorada, Florida 33036

Attention: Ms. Maria Bassett

We are pleased to confirm our understanding of the services we are to provide Islamorada, Village of Islands, Florida (the “Village”) for the year ended September 30, 2019. We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements, of the Village as of and for the year ended September 30, 2019. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as Management’s Discussion and Analysis (MD&A), to supplement the Village’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 Village’s RSI in accordance with auditing standards generally accepted in the United States of America. 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 evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management’s Discussion and Analysis (MD&A).
2. Schedule of Changes in the Village’s Net Pension Liability and Related Ratios.
3. Schedule of the Village’s Proportionate Share of the Net Pension Liability and Related Ratios.
4. Schedule of Village Contributions – Pension Plan.
5. Schedule of Changes in the Village’s Total OPEB Liability and Related Ratios.
6. Schedule of Village Contributions – OPEB Plan.
7. Budgetary comparisons for the General Fund and Major Special Revenue Funds.
8. Notes to Required Supplementary Information.

We have also been engaged to report on supplementary information other than RSI that accompanies the Village's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole:

1. Schedule of Expenditures of Federal Awards and/or State Financial Assistance, as applicable.
2. Combining and individual fund statements.

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, we have no responsibility for determining whether such other information is properly stated, and our auditor's report will not provide an opinion or any assurance on that other information:

1. Introductory section
2. Statistical section

Audit Objectives

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on:

- Internal control over financial reporting and compliance with the 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*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and/or the Florida Single Audit Act and Chapter 10.550, *Rules of the Auditor General*, as applicable.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that: (1) 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 entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance and/or the Florida Single Audit Act reports, as applicable, on internal control

over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and/or the Florida Single Audit Act. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance; the Florida Single Audit Act; and the provisions of Chapter 10.550, *Rules of the Auditor General*, as applicable, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance and/or the Florida Single Audit Act, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audits, as applicable. Our reports will be addressed to management and Village Council of the Village. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements or the Single Audit compliance opinions are 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 to issue reports, or may withdraw from this engagement.

Management Responsibilities

Management is responsible for the financial statements, Schedule of Expenditures of Federal Awards, and all accompanying information as well as all representations contained therein.

Management is responsible for: (1) designing, implementing, and maintaining effective internal controls, including internal controls over federal awards, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) 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, Schedule of Expenditures of Federal Awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. 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, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of

the audit, and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. You are also responsible for coordinating our access to information relevant to the preparation and fair presentation of the financial statements of component units which may include discussions with component unit management and their auditors.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management 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 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. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and to prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review subsequent to the start of fieldwork.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the Schedule of Expenditures of Federal Awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the Schedule of Expenditures of Federal Awards in any document that contains and indicates that we have reported on the Schedule of Expenditures of Federal Awards. You also agree to include the audited financial statements with any presentation of the Schedule of Expenditures of Federal Awards that includes our report thereon or make the audited financial statements readily available to intended users of the Schedule of Expenditures of Federal Awards no later than the date the Schedule of Expenditures of Federal Awards 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 Schedule of Expenditures of Federal Awards in accordance with the Uniform Guidance; (2) you believe the Schedule of Expenditures of Federal Awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (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 Schedule of Expenditures of Federal Awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. 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.

With regard to an exempt offering document with which Mauldin & Jenkins is not involved, you agree to clearly indicate in the exempt offering document that Mauldin & Jenkins is not involved with the contents of such offering document.

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 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 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.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your 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.

You agree to assume all management responsibilities relating to the financial statements, Schedule of Expenditures of Federal Awards, 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, Schedule of Expenditures of Federal Awards, and related notes and that you have reviewed and approved the financial statements, Schedule of Expenditures of Federal Awards, and related notes prior to their issuance and have accepted responsibility for them. You agree to oversee the nonaudit services by designating an individual, preferably from senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute 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 abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting 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 a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards 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 or major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting or misappropriation of assets that come 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, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. 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.

Our 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, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. 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*.

As required by the Uniform Guidance and the Florida Single Audit Act, we will perform tests of controls over compliance 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 and/or state award program, as applicable. 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 the Uniform Guidance and the Florida Single Audit Act, as applicable.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. 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, *Government Auditing Standards*, and the Uniform Guidance and the Florida Single Audit Act, as applicable.

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 Village's compliance with provisions of applicable laws, regulations, 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*.

The Uniform Guidance and the Florida Single Audit Act requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the Village's major programs. The purpose of these procedures will be to express an opinion on the Village's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance and the Florida Single Audit Act, as applicable.

Other Services

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of the Village in conformity with U.S. generally accepted accounting principles and the Uniform Guidance 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 these services in accordance with applicable professional standards. The other services are limited to the financial statements, Schedule of Expenditures of Federal Awards, and related notes services previously defined. We, in our sole professional judgement, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Audit Administration, Fees, and Other

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, Schedule of Expenditures of Federal Awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditors' reports or nine months after the end of the audit period.

We will provide copies of our reports to the Village; however, management is responsible for distribution of the reports and 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 Mauldin & Jenkins and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for 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 Mauldin & Jenkins 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 a regulatory body. 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 audit documentation.

We expect to begin our audit on a mutually agreed upon date, and to issue our reports no later than June 30, 2020. Alison Wester, 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 \$50,000 for the year ended September 30, 2019, which includes one major program for the Single Audit. The fee for additional programs will be \$3,500 per major program. Our hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered as work progresses and are payable upon presentation. The above fees are based on anticipated cooperation from your personnel (including complete and timely receipt by us of the information on the respective client participation listings to be prepared annually) and the assumption that unexpected circumstances (including scope changes) will not be encountered during the audit. If significant additional time is necessary, we will discuss it with management and arrive at a new fee estimate before we incur the additional costs.

As a result of our prior or future services to you, we might be requested or required to provide information or documents to you or a third party in a legal, administrative, arbitration, or similar proceeding in which we are not a party. If this occurs, our efforts in complying with such requests will be deemed billable to you as a separate engagement. We shall be entitled to compensation for our time and reasonable reimbursement for our expenses (including legal fees) in complying with the request. For all requests we will observe the confidentiality requirements of our profession and will notify you promptly of the request.

We appreciate the opportunity to be of service to Islamorada, Village of Islands, Florida 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 the enclosed copy and return it to us.

Sincerely,

MAULDIN & JENKINS, LLC



Alison Wester, CPA

RESPONSE:

This letter correctly sets forth the understanding of the Islamorada, Village of Islands, Florida.

Management: *Seth Kalin*

Title: *Village Manager*

Governance: *AM*

Title: *Mayor*



February 12, 2020

Honorable Mayor and Council
Islamorada, Village of Islands, Florida
86800 Overseas Highway
Islamorada, Florida 33036

Attention: Ms. Maria Bassett

We are pleased to confirm our understanding of the services we are to provide Islamorada, Village of Islands, Florida (the "Village").

We will examine the Village's compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds as of and for the year ending September 30, 2019. The objectives of our examination are to: (1) obtain reasonable assurance about whether the Village complied with the specified requirements above; and (2) to express an opinion as to whether the Village complied with the specified requirements is fairly stated, in all material respects.

Our examination will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Accordingly, it will include examining, on a test basis, your records and other procedures to obtain evidence necessary to enable us to express our opinion. We will issue a written report upon completion of our examination. Our report will be addressed to the Honorable Mayor and Members of the Village Council of the Village. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion. 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 examination or are unable to form or have not formed an opinion, we may decline to express an opinion or may withdraw from this engagement.

Because of the inherent limitations of an examination engagement, together with the inherent limitations of internal control, an unavoidable risk exists that some material misstatements may not be detected, even though the examination is properly planned and performed in accordance with the attestation standards.

You understand that the report is intended solely for the information and use of the Village and the Auditor General of the State of Florida, and is not intended to be and should not be used by anyone other than those specified parties.

We will plan and perform the examination to obtain reasonable assurance about whether the Village complied with Section 218.415, *Florida Statutes*, regarding the investment of public funds is free from material misstatement. Our engagement will not include a detailed inspection of every transaction and cannot be relied on to disclose all material errors, or known and

suspected fraud or noncompliance with laws or regulations, or internal control deficiencies, that may exist. However, we will inform you of any known and suspected fraud and noncompliance with laws or regulations, internal control deficiencies identified during the engagement, and uncorrected misstatements that come to our attention unless clearly trivial.

We understand that you will provide us with the information required for our examination and that you are responsible for the accuracy and completeness of that information. We may advise you about appropriate criteria, but the responsibility for the subject matter remains with you.

You are responsible for compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds; and for selecting the criteria and determining that such criteria are appropriate for your purposes. You are responsible for, and agree to provide us with, a written assertion about whether the Village is in compliance with the above noted criteria. Failure to provide such an assertion will result in our withdrawal from the engagement. You are also responsible for providing us with: (1) access to all information of which you are aware that is relevant to the measurement, evaluation, or disclosure of the subject matter; (2) additional information that we may request for the purpose of the examination; and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain evidence.

At the conclusion of the engagement, you agree to provide us with certain written representations in the form of a representation letter.

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 we 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.

Alison Wester, CPA, is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

We expect to begin our examination on a mutually agreed upon date. Our fees for these services are included in the Village's annual audit engagement letter. 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. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. 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 expenditures through the date of termination.

We appreciate the opportunity to be of service to you 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 the enclosed copy and return it to us.

Sincerely,

MAULDIN & JENKINS, LLC



Alison Wester, CPA

RESPONSE:

This letter correctly sets forth the understanding of Islamorada, Village of Islands, Florida.

Management signature: 

Title: Village Manager

Governance signature: 

Title: Mayor