

# INDIAN SHORES

Ph 727.595.4020 Fax 727.596.0050  
19305 Gulf Boulevard, Indian Shores, FL 33785  
[www.myindianshores.com](http://www.myindianshores.com)



## AUDITOR SELECTION COMMITTEE MEETING AGENDA TUESDAY, MAY 17, 2022, BEGINS AT 2:00 P.M. INDIAN SHORES MUNICIPAL CENTER, 4<sup>th</sup> FLOOR

### ITEM # AGENDA ITEM

- 1.0 Consideration of approving the Auditor Selection Committee Meeting agenda for May 17, 2022.
- 2.0 Comments from the public on any agenda item.
- 3.0 Consideration of approving the Auditor Selection Committee Meeting minutes of:
  1. March 8, 2022 (Ref. pgs.: 1-3)
  2. March 22, 2022 (Ref. pgs.: 4-5)
  3. May 3, 2022 (Ref. pgs.: 6-10)
  4. May 10, 2022 (Ref. pgs.: 11-13)
- 4.0 Final ranking of top firms and recommendation of selected firm for Town Council consideration.
  - Evaluation criteria forms (Ref. pgs.: 14-20)  
(Remaining evaluation forms will be made available at the meeting)
  - Engagement letter - CS&L CPAs (Ref. pgs.: 21-30)
  - Engagement letter – James Moore (Ref. pgs.: 31-48)
- 5.0 Citizens' comments on any subject.
- 6.0 Committee Members' comments on any subject.
- 7.0 Meeting adjournment.

PLEASE SILENCE ALL CELL PHONES  
PLEASE LIMIT PUBLIC COMMENTS TO 4 MINUTES

Patrick C. Soranno  
Mayor

Diantha Schear  
Vice Mayor

Mike Hackerson  
Councilor

Michael (Mike) Petruccelli  
Councilor

William F. (Bill) Smith  
Councilor

Bonnie Dhonau  
Town Administrator

Richard (Rick) Swann  
Chief of Police

Susan L. Scroggham  
Director of Finance  
and Personnel

Freddie G. Lozano  
Town Clerk

Regina Kardash, Esq.  
Town Attorney



Freddie Lozano  
Town Clerk

*Any person who decides to appeal any decision of the Auditor Selection Committee with respect to any matter considered at any such meeting will need a record of the proceedings, and for such purpose, may need to ensure that a verbatim record of the proceedings is made, which record includes that testimony and evidence upon which the appeal is to be based.*

*Any person with a disability requiring reasonable accommodation in order to participate in this meeting should contact the Town Clerk's office with your request within 24 hours prior to the start of the meeting. Phone 727.595.4020, Fax 727.596.0050.*

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## AUDITOR SELECTION COMMITTEE MEETING MINUTES TUESDAY, MARCH 8, 2022, BEGAN AT 3:04 P.M. INDIAN SHORES MUNICIPAL CENTER, 4<sup>th</sup> FLOOR

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**The Meeting convened at 3:04 P.M.**

**Those present:** Councilor and Committee Madam Chair Diantha Schear, Citizen Members Noelle Daniel, Mark McKee, Michael Howard, Dr. Candiss Rinker, and Town Attorney Regina Kardash.

**Also present:** Mayor Patrick C. Soranno, Vice Mayor Mike Hackerson, Councilor Mike Petruccelli, Councilor Bill Smith, Alternate Auditor Selection Committee Citizen Members Claudia Riva and John Schilthuis, Town Administrator Bonnie Dhonau, Personnel and Finance Director Susan Scrogham, and Town Clerk Freddie Lozano.

**Those absent:** None

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### ITEM # AGENDA ITEM

#### 1.0 Consideration of approving the Auditor Selection Committee Meeting agenda for March 8, 2022.

**Motion** by **Dr. Rinker** – seconded by **Mr. McKee** to approve the Auditor Selection Committee Meeting agenda for March 8, 2022. **All ayes. Motion carried 5-0.**

#### 2.0 Comments from the public on any agenda item. None.

#### 3.0 Sunshine Law review by Attorney Regina Kardash.

**Attorney Kardash** presented her review emphasizing the prohibition of communications between board members regarding business matters for discussion that should be held at a duly noticed public

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Mayor

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Vice Mayor

**Mike Hackerson**  
Councilor

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Councilor

**William F. (Bill) Smith**  
Councilor

**Bonnie Dhonau**  
Town Administrator

**Richard (Rick) Swann**  
Chief of Police

**Susan L. Scrogham**  
Director of Finance

**Freddie G. Lozano**  
Town Clerk

**Regina Kardash, Esq.**  
Town Attorney

meeting. She spoke about public records and instructed the Committee to direct any public records questions or requests to the Town Clerk/Records Liaison. She also highlighted cases pursued by the state where Sunshine Law violations occurred.

**Mr. Lozano** administered the Oath of Office to all members of the Auditor Selection Committee.

#### **4.0 Review of Auditor Selection Committee's roles and duties.**

**Madam Chair Schear** read Florida Statute 218.391 regarding annual financial audit reports and the Committee's duty to assist with selecting an auditor to conduct the Town's annual financial audit. She also touched on the Requests for Proposals (RFPs) process where interested firms will go through an evaluation process for consideration of selection.

#### **5.0 Discussion and consideration of utilizing the City of Largo's RFP as the model template for the Town's RFP for audit services.**

The discussion began with the RFP's proposed timeline:

- March 22 – approval of draft RFP
- April 12 – announcement and release of RFP
- April 29 – RFP questions due to Ms. Scroham
- May 16 – proposal due date and opening by Town Clerk
- May 24 – rank and review proposals
- May 31 – presentation of top four selected firms
- June 7 – Audit Selection Committee ranking and auditor recommendations at a Special Council meeting
- June 14 – approval of selected auditor at the Regular Town Council meeting

The Committee reviewed Largo's document and a consensus was reached to use it as the template for the Town's RFP. Required revisions were listed to tailor the draft document to the Town's needs.

A discussion on the auditor's contract term ensued ending with a **motion** made by **Mr. Howard** – seconded by **Dr. Rinker**, to recommend a 5-year term with 1-year renewals. **All ayes. Motion carried 6-0.**

Regarding the point ranking system, the Committee liked Ms. Dhonau's comment about possibly adding verbiage stating that consideration will be given to any firm that is able to guarantee execution or completion of the audit no later than September 30, 2022.

**6.0 Discussion and consideration of Request for Proposal (RFP) timeline.**

There was concern over the timeline being too far out in relation to the audit's due date. The Committee discussed it further and reached a consensus allowing Madam Chair Schear, Ms. Dhonau, and Ms. Scrogham to review and work on shortening the timeline for approval at the March 22, 2022, meetings.

**7.0 Citizens' comments on any subject.** None.

**8.0 Committee Members' comments on any subject.** None.

**9.0 Meeting adjournment.** 4:03 p.m.

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Freddie Lozano  
*Town Clerk*

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## AUDITOR SELECTION COMMITTEE MEETING MINUTES TUESDAY, MARCH 22, 2022, BEGAN AT 2:00 P.M. INDIAN SHORES MUNICIPAL CENTER, 4<sup>th</sup> FLOOR

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**The Meeting convened at 2:00 P.M.**

**Those present:** Councilor and Committee Madam Chair Diantha Schear, Citizen Members Noelle Daniel, Mark McKee, Michael Howard, Dr. Candiss Rinker, and Town Attorney Regina Kardash.

**Also present:** Mayor Patrick C. Soranno, Vice Mayor Mike Hackerson, Finance and Personnel Director Susan Scrogan, and Town Clerk Freddie Lozano.

**Those absent:** None

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### ITEM # AGENDA ITEM

#### 1.0 Consideration of approving the Auditor Selection Committee Meeting agenda for March 22, 2022.

**Motion** by **Dr. Rinker** – seconded by **Mr. Howard** to approve the Auditor Selection Committee Meeting agenda for March 22, 2022. **All ayes. Motion carried 5-0.**

#### 2.0 Comments from the public on any agenda item. None.

#### 3.0 Review and discussion of draft Request for Proposal (RFP) #2022-01 for independent audit services and timeline.

The discussion on the proposed RFP concluded with a Committee consensus to recommend the proposed RFP document to the Council with the following revisions:

Patrick C. Soranno  
Mayor

Diantha Schear  
Vice Mayor

Mike Hackerson  
Councilor

Michael (Mike) Petruccelli  
Councilor

William F. (Bill) Smith  
Councilor

Bonnie Dhonau  
Town Administrator

Richard (Rick) Swann  
Chief of Police

Susan L. Scrogan  
Director of Finance  
and Personnel

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Town Clerk

Regina Kardash, Esq.  
Town Attorney

- The scope of the work covers years 2020-2025 where referenced.
- The audit is completed by March 15 of each succeeding year after the initial year (page 4 of RFP).
- Where referenced, the RFP # should be 2022-01.
- Ensure that Chapter 185 is referenced as the Police Pension.
- Point system cost = 5, delivery = 15, items 1-4 of the evaluation criteria = 20.

**Motion** made by **Mr. Howard** – seconded by **Dr. Rinker**, to recommend the proposed RFP document for consideration of Council approval as amended. **All ayes. Motion carried 5-0.**

The Committee formed a list of questions for the firm's references:

1. Have they done work for you in the past?
2. Were you satisfied with the work?
3. Were you satisfied with the timeliness of the work?
4. Were you satisfied with the staff and work product?
5. Would you hire them again?

**Motion** made by **Mr. Howard** – seconded by **Dr. Rinker**, to approve the list of questions for the references. **All ayes. Motion carried 5-0.**

**Dr. Rinker** recommended reaching out to the larger firms, such as Ernst & Young and PricewaterhouseCoopers, in addition to the smaller and local firms.

**4.0 Citizens' comments on any subject.** None.

**5.0 Committee Members' comments on any subject.** None.

**6.0 Meeting adjournment.** 2:36 P.M.

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Freddie Lozano  
*Town Clerk*

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## AUDITOR SELECTION COMMITTEE MEETING MINUTES TUESDAY, MAY 3, 2022, BEGAN AT 1:00 P.M. INDIAN SHORES MUNICIPAL CENTER, 4<sup>th</sup> FLOOR

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**The Meeting convened at 1:00 P.M.**

**Those present:** Vice Mayor and Committee Madam Chair Diantha Schear, Citizen Members Noelle Daniel, Mark McKee, Michael Howard, Dr. Candiss Rinker, and Town Attorney Regina Kardash.

**Also present:** Mayor Patrick C. Soranno, Councilor Mike Hackerson, Town Administrator Bonnie Dhonau, Finance and Personnel Director Susan Scrogham, and Town Clerk Freddie Lozano.

**Those absent:** None

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### ITEM # AGENDA ITEM

#### 1.0 Consideration of approving the Auditor Selection Committee Meeting agenda for May 3, 2022.

**Motion** by **Mr. Howard** – seconded by **Dr. Rinker** to approve the Auditor Selection Committee Meeting agenda for May 3, 2022. **All ayes. Motion carried 5-0.**

#### 2.0 Comments from the public on any agenda item. None.

#### 3.0 Initial rank and review of Request for Proposal (RFP) #2022-01 for independent audit services. (CS&L CPAs, James Moore, and Saltmarsh, Cleaveland & Gund)

The Committee members provided feedback on each firm's strong and weak points to develop an initial ranking based on the RFP's Evaluation

Patrick C. Soranno  
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Director of Finance  
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Freddie G. Lozano  
Town Clerk

Regina Kardash, Esq.  
Town Attorney

Criteria. Madam Chair Schear noted that the initial ranking is not final, and that rankings could change after the firms give their presentations to the Committee at the next meeting.

The Committee's initial ranking scores are:

<b>Committee Member</b>	<b>CS&amp;L</b>	<b>James Moore</b>	<b>Saltmarsh, Cleaveland &amp; Gund</b>
Dr. Rinker	70	80	36
Mr. Howard	76	78	72
Madam Chair Schear	65	70	53
Mr. McKee	64	71	57
Ms. Daniel	75	73	57
<b>TOTALS</b>	<b>350</b>	<b>372</b>	<b>275</b>

The above firms will be notified of the interview date scheduled on Tuesday, May 10, 2022, beginning at 11:00 A.M. Each firm will be provided 30-minutes for their presentation and question-and-answer session.

The final review, ranking, and recommendation to Council is scheduled for an Auditor Selection Committee Meeting on Tuesday, May 17, 2022, beginning at 2:00 P.M. The recommendation will be considered at the Special Town Council meeting that begins immediately following adjournment of the Auditor Selection Committee meeting.

**Dr. Rinker** provided copies of questions she specifically prepared for each firm during their interviews.

**Attorney Kardash** will prepare a scoring sheet that the Town Clerk will distribute to the Committee. The completed sheets will be returned to the Town Clerk who will read the scores aloud at the May 17, 2022, Auditor Selection Committee and Special Town Council meetings.

**4.0 Citizens' comments on any subject.** None.

**5.0 Committee Members' comments on any subject.** None

**6.0 Meeting adjournment. 2:21 P.M.**

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Freddie Lozano  
*Town Clerk*

Questions for all Candidates

1. Will there be a specific office assigned to this account?
2. How many days do you anticipate being on-site/fieldwork – excluding the end of audit meetings to review findings?
3. With access to our electronic records, how much time do you anticipate you will need assistance from our staff? What type of things will you need from them?
4. Who specifically will be on-site?
5. How many staff do you propose to assign?
6. The hours on the proposal have a significant range
  - How do you allocate the hours in your proposal?
7. Once given the contract, how long will it take you to start the Audit?
8. How many working days do you anticipate to complete?
9. Section D asks for a listing of all government clients serviced during the last three years by the designated office that will provide audit services
  - a. You were asked to include "former clients" – none were listed – does that mean that you lost no clients in the last three years?
10. What could cause the final cost to be more than quoted in your proposal?

JAMES MOORE

1. States "fees presented are for the financial audit only" – does that statement include all that is requested in the proposal?
  - a. If so, could we have that in writing?
2. With six years of experience, is Anthony Walsh a recently promoted manager? Is this his first role as client manager?
3. Can we expect the Lead Partner (Zach Chalifour), IT Audit Director (Brendan McKitrick), Audit Director (Caitlan Walker), Manager (Anthony Walsh), and Senior Acct (Farah Rajae) to participate in the audits in subsequent years?

CS&L CPAs

1. Section D, p 13 – requests "all government clients" serviced during last three years – including former – with contact person, phone numbers, and info on services

**Auditor Selection Committee Meeting Minutes****Page 5**

Reference materials brought  
to the meeting for inclusion  
in the meeting minutes.

**MEETING:** Auditor Selection Committee Meeting  
**May 3, 2022****DATE:** 05/03/2022    **TIME:** 1:00 P.M.

- a. Proposal states "over 20 government clients"
- b. Lists 8 "municipalities which are similar to the Town of Indian Shores"
- c. Provides contact information for only 4 of the 8 municipalities identified
- d. Shows no "former clients"

2. Section E3, p. 13 – asks for description of "approach ... in auditing information systems"

- a. Proposal silent and unclear
- b. All professionals assigned have strong accounting backgrounds and extensive auditing experience but do not seem to have a strong IT person assigned

3. Section E5a, p 13 – While many firms establish "firm policies" on GAAP for which existing GAAP is unclear, please address the steps that would be taken if, where there is not established GAAP and the Town proposed to take an alternative approach to the "firm's policy"

- a. Proposal is silent

**Saltmarsh, Cleveland & Gund**

1. Last year's audit fees were about \$26k – what additional work is being performed for this audit to cost the Town \$60k?
2. Section D, p 13 – requests "all government clients" serviced during last three years – including former – with contact person, phone numbers, and info on services
  - b. Proposal states "over 300 audits of local government in FL"
  - c. "Currently... has 190 audit clients under engagement"
  - d. Page 15 of their proposal lists 36 clients – not all of which are either audits or audits of municipalities
  - e. No list of municipalities that they are no longer servicing in the last 3 years – no former clients
  - f. Provided only 3 references
  - g. Landers resume (Lead shareholder) -- shows "City of Dunedin, Town of Belleair Shore," but yet reference list does not
  - h. Smith – Manager – shows Town of Belleair
3. No client references are listed for the Audit Supervisor (Amanda Molina) and the Audit Senior (Hannah Hensley) - as are listed on the other included resumes
  - a. Neither appear to be CPAs – do they have the academic requires to even sit for the exam?
    - i. Molina – Bachelors of Business Administration
    - ii. Hensley – looks like this is a change of career from financial planning
  - b. How long have they been with SC&G – what experience in municipality auditing?
4. Section E3, p. 13 – asks for description of "approach ... in auditing information systems"
  - a. Proposal unclear – states "purpose... obtain an understanding to the internal controls associates with the information system as they pertain to financial reporting and not to express an opinion of the effectiveness of the internal controls."
  - b. Do not seem to have a strong IT person assigned

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## AUDITOR SELECTION COMMITTEE MEETING MINUTES TUESDAY, MAY 10, 2022, BEGAN AT 11:00 A.M. INDIAN SHORES MUNICIPAL CENTER, 4<sup>th</sup> FLOOR

**The Meeting convened at 11:00 A.M.**

**Those present:** Vice Mayor and Committee Madam Chair Diantha Schear, Citizen Members; Noelle Daniel, Mark McKee, Michael Howard, Dr. Candiss Rinker, and Town Attorney Regina Kardash.

**Also present:** Councilor Mike Hackerson, Town Administrator Bonnie Dhonau, Finance and Personnel Director Susan Scroggaham, and Town Clerk Freddie Lozano.

**Those absent:** None

### ITEM # AGENDA ITEM

#### 1.0 Consideration of approving the Auditor Selection Committee Meeting agenda for May 10, 2022.

**Motion** by **Mr. Howard** – seconded by **Dr. Rinker** to approve the Auditor Selection Committee Meeting agenda for May 10, 2022. **All ayes. Motion carried 5-0.**

#### 2.0 Comments from the public on any agenda item. None.

#### 3.0 Interviews with top ranked auditing firms.

**The interview with CS&L CPAs began at 11:15 A.M.** with Mr. Jeff Gerhard, CPA, CFE, and Ms. Jennifer Ruffino-Cook, CPA.

Patrick C. Soranno  
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William F. (Bill) Smith  
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Bonnie Dhonau  
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Director of Finance

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Town Clerk

Regina Kardash, Esq.  
Town Attorney

**Mr. Gerhard** gave his presentation beginning with some background on the firm. Their clients are all Florida-based. He mentioned that principal associates are always available to help.

**Ms. Ruffino-Cook** mentioned that all their team members have experience in government audits. They have a deadline-oriented auditing approach and will work to comfortably meet the Town's September 30 deadline.

The presentation ended. The question-and-answer session began with the Committee's questions and Dr. Rinker's prepared questions to CS&L CPAs regarding a list of clients they have serviced during the last three years, their approach on auditing information systems, the approach they would take if the Town does not have an established Generally Accepted Auditing Standards (GAAP), and audit fees.

CS&L does not have an Information Technology (IT) specialist. their cybersecurity relies on their cloud-based encrypted network. If selected, they can begin work immediately.

**The interview ended at 11:15 A.M.**

**Madam Chair Schear** mentioned receiving a letter from Saltmarsh that stated that they were unable to provide representation for the interview due to scheduling conflicts. They appreciated being considered for the opportunity and would like to continue as the Town auditors.

**The interview for James Moore began at 11:19 A.M.**

**Mr. James Halloran**, CPA, was present for the interview. He is the Engagement Consulting Partner for James Moore. He mentioned that although Engagement Lead Partner, Zach Chalifour, CPA, was not able to attend the interview, he assured the Committee that there will be always someone available.

He gave his presentation beginning with the firm's background and noted that they were named one of America's top tax and accounting firms for the past two years by Forbes. The firm uses a risk-based auditing approach. They have a dedicated Certified Information Systems Auditor who would help with the Town's financial related software application controls and data extractions for analysis. They

employ I.T. managers, network engineers and network administrators that can be utilized for cybersecurity.

**Mr. Halleran** answered the Committee's and Dr. Rinker's prepared questions. With regards to meeting the September 30 audit deadline, he stated that they can begin work by the end of May if they are selected. He clarified that the proposed \$24,000 is for the financial audit. An additional \$3,000 (\$27,000 total) will be added if the Town is subject to a federal or state single audit.

**The interview ended at 11:49 A.M.**

Discussion ensued on the two interviews.

**Attorney Kardash** will prepare the official questionnaire form for the Town Clerk to distribute to the Committee members. The completed form must be returned to the Town Clerk to include in the May 17 meeting agendas, along with the engagement letters she received from the firms. The final selection of the auditing firm will be recommended for Council consideration at the May 17 Special Town Council meeting.

**4.0 Citizens' comments on any subject.** None.

**5.0 Committee Members' comments on any subject.** None.

**6.0 Meeting adjournment. 12:05 P.M.**

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Freddie Lozano  
*Town Clerk*

Evaluation Criteria Award for:

CS&L

(One form to be completed for each applicant by each board member.)

1. Qualifications and Experience (20 points)	AWARD _____ 19
a. Quality and experience with government engagements of comparable size and complexity.	
b. Quality and experience of the firm's professional auditing personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation.	
c. Quality and experience of the firm's professional IT auditing personnel assigned to the engagement.	
d. Quality and experience of the firm's professional auditing personnel assigned to perform the Single Audit.	
2. Audit Approach (20 points)	AWARD _____ 18
a. Completeness of the response to the RFP.	
b. Adequacy of the general overall audit plan.	
c. Recent, current and projected workload of auditing personnel to be assigned to the engagement.	
d. Adequacy of proposed staffing plan for the audit.	
e. Adequacy of the audit plan for the IT evaluation.	
f. Adequacy of the audit plan for the Single Audit.	
3. Responses of references (20 points)	AWARD _____ 18
4. Oral Presentation (20 points)	AWARD _____ 16
a. Maximum of 10 minute opening presentation to be followed by questions posed by the Audit Committee.	
5. Costs (5 points)	AWARD _____ 4
a. Costs will not be given predominant consideration as part of the evaluation criteria.	
6. Delivery (15 points)	AWARD _____ 14
a. Ability to deliver fiscal year end September 30, 2021 audit by August 31, 2022, and in no case later than September 30, 2022.	
TOTAL FINAL POINTS FOR THIS APPLICANT	89

NOTES:

Presentation was good. They didn't have a good answer for the IT/ Cyber Security, questions. Never addressed training of their associates. Costs were very similar, not enough to distinguish the two.

Evaluation Criteria Award for:

CS&L C. Rinker, rater

(One form to be completed for each applicant by each board member.)

1. Qualifications and Experience (20 points) AWARD 14
  - a. Quality and experience with government engagements of comparable size and complexity.
  - b. Quality and experience of the firm's professional auditing personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation.
  - c. Quality and experience of the firm's professional IT auditing personnel assigned to the engagement.
  - d. Quality and experience of the firm's professional auditing personnel assigned to perform the Single Audit.
2. Audit Approach (20 points) AWARD 14
  - a. Completeness of the response to the RFP.
  - b. Adequacy of the general overall audit plan.
  - c. Recent, current and projected workload of auditing personnel to be assigned to the engagement.
  - d. Adequacy of proposed staffing plan for the audit.
  - e. Adequacy of the audit plan for the IT evaluation.
  - f. Adequacy of the audit plan for the Single Audit.
3. Responses of references (20 points) AWARD 18
4. Oral Presentation (20 points) AWARD 20
  - a. Maximum of 10 minute opening presentation to be followed by questions posed by the Audit Committee.
5. Costs (5 points) AWARD 4
  - a. Costs will not be given predominant consideration as part of the evaluation criteria.
6. Delivery (15 points) AWARD 15
  - a. Ability to deliver fiscal year end September 30, 2021 audit by August 31, 2022, and in no case later than September 30, 2022.

**TOTAL FINAL POINTS FOR THIS APPLICANT** 85

**NOTES:**

**Concerns:**

No technology person on staff who will be assigned to the account  
Audit Approach has not focus on cyber-security or integrity of our technology and systems  
Cost does not separate out if a Single Audit is unnecessary

Evaluation Criteria Award for:

**CS& L**

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(One form to be completed for each applicant by each board member.)

1. Qualifications and Experience (20 points) AWARD \_\_\_\_\_ 20
  - a. Quality and experience with government engagements of comparable size and complexity.
  - b. Quality and experience of the firm's professional auditing personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation.
  - c. Quality and experience of the firm's professional IT auditing personnel assigned to the engagement.
  - d. Quality and experience of the firm's professional auditing personnel assigned to perform the Single Audit.
2. Audit Approach (20 points) AWARD \_\_\_\_\_ 20
  - a. Completeness of the response to the RFP.
  - b. Adequacy of the general overall audit plan.
  - c. Recent, current and projected workload of auditing personnel to be assigned to the engagement.
  - d. Adequacy of proposed staffing plan for the audit.
  - e. Adequacy of the audit plan for the IT evaluation.
  - f. Adequacy of the audit plan for the Single Audit.
3. Responses of references (20 points) AWARD \_\_\_\_\_ 20
4. Oral Presentation (20 points) AWARD \_\_\_\_\_ 20
  - a. Maximum of 10 minute opening presentation to be followed by questions posed by the Audit Committee.
5. Costs (5 points) AWARD \_\_\_\_\_ 5
  - a. Costs will not be given predominant consideration as part of the evaluation criteria.
6. Delivery (15 points) AWARD \_\_\_\_\_ 15
  - a. Ability to deliver fiscal year end September 30, 2021 audit by August 31, 2022, and in no case later than September 30, 2022.

TOTAL FINAL POINTS FOR THIS APPLICANT 100 \_\_\_\_\_

NOTES:

Evaluation Criteria Award for:

James Moore

(One form to be completed for each applicant by each board member.)

1. Qualifications and Experience (20 points)	AWARD _____ 19
a. Quality and experience with government engagements of comparable size and complexity.	
b. Quality and experience of the firm's professional auditing personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation.	
c. Quality and experience of the firm's professional IT auditing personnel assigned to the engagement.	
d. Quality and experience of the firm's professional auditing personnel assigned to perform the Single Audit.	
2. Audit Approach (20 points)	AWARD _____ 19
a. Completeness of the response to the RFP.	
b. Adequacy of the general overall audit plan.	
c. Recent, current and projected workload of auditing personnel to be assigned to the engagement.	
d. Adequacy of proposed staffing plan for the audit.	
e. Adequacy of the audit plan for the IT evaluation.	
f. Adequacy of the audit plan for the Single Audit.	
3. Responses of references (20 points)	AWARD _____ 18
4. Oral Presentation (20 points)	AWARD _____ 19
a. Maximum of 10 minute opening presentation to be followed by questions posed by the Audit Committee.	
5. Costs (5 points)	AWARD _____ 4
a. Costs will not be given predominant consideration as part of the evaluation criteria.	
6. Delivery (15 points)	AWARD _____ 13
a. Ability to deliver fiscal year end September 30, 2021 audit by August 31, 2022, and in no case later than September 30, 2022.	
TOTAL FINAL POINTS FOR THIS APPLICANT _____ 92	

NOTES:

The general presentation was good. They addressed the IT/ Cybersecurity concerns with an in-house IT person. They also mentioned they conduct in-house and ongoing training for their associates. The weakest answer was about meeting the timelines. They did advise that they could meet our timelines. Costs were very similar, not enough to distinguish the two.

Evaluation Criteria Award for:

James Moore -- C Rinker, rater

(One form to be completed for each applicant by each board member.)

1. Qualifications and Experience (20 points)	AWARD _____ 20
a. Quality and experience with government engagements of comparable size and complexity.	
b. Quality and experience of the firm's professional auditing personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation.	
c. Quality and experience of the firm's professional IT auditing personnel assigned to the engagement.	
d. Quality and experience of the firm's professional auditing personnel assigned to perform the Single Audit.	
2. Audit Approach (20 points)	AWARD _____ 20
a. Completeness of the response to the RFP.	
b. Adequacy of the general overall audit plan.	
c. Recent, current and projected workload of auditing personnel to be assigned to the engagement.	
d. Adequacy of proposed staffing plan for the audit.	
e. Adequacy of the audit plan for the IT evaluation.	
f. Adequacy of the audit plan for the Single Audit.	
3. Responses of references (20 points)	AWARD _____ 20
4. Oral Presentation (20 points)	AWARD _____ 20
a. Maximum of 10 minute opening presentation to be followed by questions posed by the Audit Committee.	
5. Costs (5 points)	AWARD _____ 5
a. Costs will not be given predominant consideration as part of the evaluation criteria.	
6. Delivery (15 points)	AWARD _____ 14
a. Ability to deliver fiscal year end September 30, 2021 audit by August 31, 2022, and in no case later than September 30, 2022.	
TOTAL FINAL POINTS FOR THIS APPLICANT	99

NOTES:

Like the technology support which is included in the audit approach

Pricing accommodates when Single Audits are not needed

Evaluation Criteria Award for:

James Moore

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(One form to be completed for each applicant by each board member.)

1. Qualifications and Experience (20 points)	AWARD _____ 20
a. Quality and experience with government engagements of comparable size and complexity.	
b. Quality and experience of the firm's professional auditing personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation.	
c. Quality and experience of the firm's professional IT auditing personnel assigned to the engagement.	
d. Quality and experience of the firm's professional auditing personnel assigned to perform the Single Audit.	
2. Audit Approach (20 points)	AWARD _____ 20
a. Completeness of the response to the RFP.	
b. Adequacy of the general overall audit plan.	
c. Recent, current and projected workload of auditing personnel to be assigned to the engagement.	
d. Adequacy of proposed staffing plan for the audit.	
e. Adequacy of the audit plan for the IT evaluation.	
f. Adequacy of the audit plan for the Single Audit.	
3. Responses of references (20 points)	AWARD _____ 15
4. Oral Presentation (20 points)	AWARD _____ 18
a. Maximum of 10 minute opening presentation to be followed by questions posed by the Audit Committee.	
5. Costs (5 points)	AWARD _____ 5
a. Costs will not be given predominant consideration as part of the evaluation criteria.	
6. Delivery (15 points)	AWARD _____ 13
a. Ability to deliver fiscal year end September 30, 2021 audit by August 31, 2022, and in no case later than September 30, 2022.	

TOTAL FINAL POINTS FOR THIS APPLICANT

91

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NOTES:

Evaluation Criteria Award for:

**Saltmarsh**

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(One form to be completed for each applicant by each board member.)

1. Qualifications and Experience (20 points)	AWARD _____ 20
a. Quality and experience with government engagements of comparable size and complexity.	
b. Quality and experience of the firm's professional auditing personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation.	
c. Quality and experience of the firm's professional IT auditing personnel assigned to the engagement.	
d. Quality and experience of the firm's professional auditing personnel assigned to perform the Single Audit.	
2. Audit Approach (20 points)	AWARD _____ 15
a. Completeness of the response to the RFP.	
b. Adequacy of the general overall audit plan.	
c. Recent, current and projected workload of auditing personnel to be assigned to the engagement.	
d. Adequacy of proposed staffing plan for the audit.	
e. Adequacy of the audit plan for the IT evaluation.	
f. Adequacy of the audit plan for the Single Audit.	
3. Responses of references (20 points)	AWARD _____ 15
4. Oral Presentation (20 points)	AWARD _____ 0
a. Maximum of 10 minute opening presentation to be followed by questions posed by the Audit Committee.	
5. Costs (5 points)	AWARD _____ 1
a. Costs will not be given predominant consideration as part of the evaluation criteria.	
6. Delivery (15 points)	AWARD _____ 10
a. Ability to deliver fiscal year end September 30, 2021 audit by August 31, 2022, and in no case later than September 30, 2022.	

TOTAL FINAL POINTS FOR THIS APPLICANT

61

NOTES:

May 4, 2022

The Town of Indian Shores, Florida  
19305 Gulf Boulevard  
Indian Shores, FL 33785

We are pleased to confirm our understanding of the services we are to provide the Town of Indian Shores, Florida (the "Town") for the year ended September 30, 2021. We will audit the financial statements of the governmental 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 Town as of and for the year ended September 30, 2021. 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 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. 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.
- 2) Schedule of Changes in Total OPEB Liability and Related Ratios.
- 3) Schedule of Changes in Net Pension Liability.
- 4) Schedule of Related Ratios.
- 5) Schedule of Contributions.
- 6) Notes to Schedule of Contributions.
- 7) Schedule of Investment Returns.

We have also been engaged to report on supplementary information other than RSI that accompanies the Town'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 we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements:

- 1) Schedule of Expenditures of Federal Awards and/or State Financial Assistance.
- 2) Notes to Schedule of Expenditures of Federal Awards and/or State Financial Assistance.
- 3) Non-Major Governmental Funds Combining Balance Sheet.
- 4) Non-Major Governmental Funds Combining Statement of Revenues, Expenditures and Changes in Fund Balance.

- 5) Special Revenue Fund Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.
- 6) Capital Assets Used in the Operation of Governmental Funds: Schedule by Source
- 7) Capital Assets Used in the Operation of Governmental Funds: Schedule by Function and Activity
- 8) Capital Assets Used in the Operation of Governmental Funds: Schedule of Changes by Function and Activity

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that other information.

- 1) Statistical Section

### **Audit Objectives**

The objective of our audit is the expression of opinions as to whether your 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 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/projects and an opinion (or disclaimer of opinion) on compliance with federal and/or state statutes, regulations, and the terms and conditions of federal awards/state financial assistance that could have a direct and material effect on each major program/project in accordance with the Single Audit Act Amendments of 1996; Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); 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 Town's internal control and compliance. The Uniform Guidance and Chapter 10.550, Rules of the Auditor General report 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 Chapter 10.550, Rules of the Auditor General. 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; the Florida Single Audit Act; Chapter 10.550, Rules of the Auditor General (as applicable); and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s)/project(s) in accordance with the Uniform Guidance and the Florida Single Audit Act (as applicable), and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our audit of the Town's financial statements and Single Audit. Our reports will be addressed to the Honorable Mayor and Town Council. 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 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 issue reports, or we may withdraw from this engagement.

### **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 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, an unavoidable risk exists that some 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 on 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. 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 tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We may 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 and/or state financial assistance; federal award programs and/or state projects; 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/or the Florida Single Audit Act and Chapter 10.550, Rules of the Auditor General (as applicable), 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 award program and/or state financial assistance project. 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/or Chapter 10.550, Rules of the Auditor General.

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, *Government Auditing Standards*, and the Uniform Guidance and/or Chapter 10.550, Rules of the Auditor General.

### **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 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/or the Florida Single Audit Act and Chapter 10.550, Rules of the Auditor General (as applicable) requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal and/or state statutes, regulations, and the terms and conditions of federal awards and/or state financial assistance applicable to major programs and/or projects. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* and/or the *Department of Financial Services State Project Compliance Supplement* (as applicable) for the types of compliance requirements that could have a direct and material effect on each of the Town's major programs/projects. For federal programs/state projects that are included in the *Compliance Supplement*, our compliance and internal control procedures will relate to the compliance requirements that the *Compliance Supplement* identifies as being subject to audit. The purpose of these procedures will be to express an opinion on the Town's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance and/or Chapter 10.550, Rules of the Auditor General (as applicable).

### **Compliance with Florida Statutes**

We will examine the Town's compliance with Florida Statutes Section 218.415 for investments for the year ended September 30, 2021. The objectives of our examination are to (1) obtain reasonable assurance about whether the Town has complied with the referenced Florida Statute; and (2) to express an opinion on that compliance in accordance with Florida Statutes.

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 Town Council.

Because of the inherent limitations of an examination engagement, together with the inherent limitations of internal control, an unavoidable risk exists that some noncompliance 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 Town and the Auditor General, 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 Town complied with Florida Statute as referenced above, based on the State of Florida Auditor General's *Compliance Supplement for Local Governmental Entity Audits*. 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 the Town's compliance with Florida Statutes as referenced above; 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 Town complied with Florida Statutes as referenced above. 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.

### **Other Services**

We will also assist in preparing the financial statements, schedule of expenditures of federal awards and/or state financial assistance, and related notes of the Town in conformity with U.S. generally accepted accounting principles and the Uniform Guidance, Florida Single Audit Act, and/or Chapter 10.550, Rules of the Auditor General (as applicable) based on information provided by you. These non-audit 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 statements, schedule of expenditures of federal awards and/or state financial assistance, and related notes 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.

## **Management Responsibilities**

Management is responsible for (1) 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, including internal controls over federal awards and/or state financial assistance, 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/or state financial assistance, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal and state statutes) and the provisions of contracts and grant agreements (including award/assistance 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, including identification of all related parties and all related-party relationships and transactions, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance and/or Florida Single Audit Act and Chapter 10.550, Rules of the Auditor General (as applicable), (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.

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 of each opinion unit 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 that we report. Additionally, as required by the Uniform Guidance and/or Florida Single Audit Act and Chapter 10.550, Rules of the Auditor General (as applicable), it is management's responsibility to evaluate and monitor noncompliance with federal and state statutes, regulations, and the terms and conditions of federal awards/state financial assistance; 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 prepare a summary schedule of prior audit findings and a separate corrective action plan.

You are responsible for identifying all federal awards/state financial assistance received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards and/or state financial assistance (including notes and noncash assistance received) in conformity with the Uniform Guidance and/or Florida Single Audit Act and Chapter 10.550, Rules of the Auditor General (as applicable). You agree to include our report on the schedule of expenditures of federal awards and/or state financial assistance in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards and/or state financial assistance. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards and/or state financial assistance that includes our report thereon OR make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards and/or state financial assistance no later than the date the schedule of expenditures of federal awards and/or state financial assistance 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 and/or state financial assistance in accordance with the Uniform Guidance and/or

Florida Single Audit Act and Chapter 10.550, Rules of the Auditor General (as applicable); (2) you believe the schedule of expenditures of federal awards and/or state financial assistance, including its form and content, is stated fairly in accordance with the Uniform Guidance and/or Florida Single Audit Act and Chapter 10.550, Rules of the Auditor General (as applicable); (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 and/or state financial assistance.

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.

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.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards and/or state financial assistance, and related notes, and any other non-audit 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/or state financial assistance, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards and/or state financial assistance, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the non-audit 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.

### **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.

If a federal single audit is required, 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, auditor's 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 auditor's reports or nine months after the end of the audit period.

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 Christopher, Smith, Leonard & Stanell, P.A. (CS&L CPAs) 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 the cognizant granting agency or its designee, a federal/state 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 CS&L CPAs 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 the granting agencies. If we are aware that a federal or state 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 upon notice of award and to issue our reports no later than September 30, 2022. Jeff Gerhard is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fees for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, typing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$26,800 for the basic financial statement audit.

The fee estimate 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 in advance and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees will be rendered monthly as work progresses and are payable on presentation. This contract can be renewed for future fiscal periods after agreement by both parties as to the terms.

Our 2020 peer review, which is our most recent, is attached.

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 the enclosed copy and return it to us.

*Christopher, Smith,  
Leonard & Stanell, P.A.*

**CHRISTOPHER, SMITH,  
LEONARD & STANELL, P.A.**

**RESPONSE:**

This letter correctly sets forth the understanding of the Town of Indian Shores, Florida.

Governance:

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Management:

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

January 22, 2021

Robert Stanell  
Christopher, Smith, Leonard, Bristow & Stanell, P.A.  
1001 3rd Ave W Ste 700  
Bradenton, FL 34205-7862

Dear Robert Stanell:

It is my pleasure to notify you that on January 21, 2021, the Florida Peer Review Committee accepted the report on the most recent System Review of your firm. The due date for your next review is December 31, 2023. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Thank you for your cooperation.

Sincerely,

*FICPA Peer Review Committee*

Peer Review Team  
FICPA Peer Review Committee  
paul@ficpa.org  
800-342-3197 ext. 251

cc: Michael Sibley, Rayndall Dillingham

Firm Number: 900010075714

Review Number: 580083

## REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL

To the Shareholders of  
Christopher, Smith, Leonard, Bristow & Stanell, P.A.  
and the Peer Review Committee of the Florida Institute of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Christopher, Smith, Leonard, Bristow & Stanell, P.A. (the firm) in effect for the year ended June 30, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### **Firm's Responsibility**

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### **Peer Reviewer's Responsibility**

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

### **Required Selections and Considerations**

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act and audits of employee benefit plans.

Page 1

121 Executive Circle

Daytona Beach, FL 32114-1180

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133 East Indiana Avenue

DeLand, FL 32724-4329

Telephone: 386-738-3300

5931 NW 1st Place

Gainesville, FL 32607-2063

Telephone: 352-378-1331

2477 Tim Gamble Place, Suite 200

Tallahassee, FL 32308-4386

Telephone: 850-386-6184

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

## Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Christopher, Smith, Leonard, Bristow & Stanell, P.A. in effect for the year ended June 30, 2020, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Christopher, Smith, Leonard, Bristow & Stanell, P.A. has received a peer review rating of *pass*.

A handwritten signature in black ink that reads "James Moore, CPA, P.L." The signature is fluid and cursive, with "James" and "Moore" being the most prominent parts, and "CPA, P.L." appearing to the right in a smaller, more formal style.

Daytona Beach, Florida  
December 11, 2020

May 4, 2022

To the Honorable Mayor and Town Commissioners,  
Town of Indian Shores, Florida:

You have requested that we audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Indian Shores, Florida (the Town) as of September 30, 2021, 2022, 2023, 2024, and 2025, and for the years then ended, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In addition, if applicable, we will audit the Town's compliance over major federal award programs and major state projects for the years ended September 30, 2021, 2022, 2023, 2024, and 2025. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audits will be conducted with the objectives of our expressing an opinion on each opinion unit and an opinion on compliance regarding the Town's major federal award programs and major state projects.

The objectives of our audit of the financial statements are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. 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 auditing standards generally accepted in the United States of America (GAAS), and in accordance with Government Auditing Standards, and the provisions of Chapter 10.550, Rules of the State of Florida, Office of the Auditor General, 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 made by a reasonable user based on the financial statements.

The objectives of our compliance audit are to obtain sufficient appropriate audit evidence to form an opinion and report at the level specified in the governmental audit requirement about whether the Town complied in all material respects with the applicable compliance requirements and identify audit and reporting requirements specified in the governmental audit requirement that are supplementary to GAAS and Government Auditing Standards , if any, and perform procedures to address those requirements.

Accounting principles generally accepted in the United States of America (U.S. GAAP), as promulgated by the Governmental Accounting Standards Board (GASB) require that supplementary information, such as management's discussion and analysis (MD&A) or budgetary comparison information, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, 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 required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI.

The following RSI is required by U.S. GAAP. This RSI will be subjected to certain limited procedures but will not be audited:

1. Management's discussion and analysis
2. Budgetary comparison schedules
3. Pension and OPEB schedules

Supplementary information other than RSI will accompany the Town's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and perform certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and additional procedures in accordance with GAAS. We intend to provide an opinion on whether the following supplementary information is presented fairly in all material respects in relation to the basic financial statements as a whole:

1. Nonmajor fund combining schedules (if applicable)
2. Budgetary comparison schedules (if applicable)
3. Schedule of expenditures of federal awards and state financial assistance (if applicable)
4. Other schedules provided by the Town (if applicable)

Also, the document we submit to you will include the following other additional information will not be subjected to the auditing procedures applied in our audit of the basic financial statements:

1. Introductory section
2. Statistical section

### **Data Collection Form**

If applicable, prior to the completion of our engagement, we will complete the sections of the Data Collection Form that are our responsibility, if the Data Collection Form is applicable. The form will summarize our audit findings, amounts and conclusions. It is management's responsibility to submit a reporting package including financial statements, schedule of expenditure of federal awards, summary schedule of prior audit findings and corrective action plan along with the Data Collection Form to the federal audit clearinghouse. The financial reporting package must be text searchable, unencrypted, and unlocked. Otherwise, the reporting package will not be accepted by the federal audit clearinghouse. We will assist you in the electronic submission and certification. You may request from us copies of our report for you to include with the reporting package submitted to pass-through entities.

The Data Collection Form, if applicable, is required to be submitted within the earlier of 30 days after receipt of our auditors' reports or nine months after the end of the audit period, unless specifically waived by a federal cognizant or oversight agency for audits. Data Collection Forms submitted untimely are one of the factors in assessing programs at a higher risk.

### **Audit of the Financial Statements**

We will conduct our audits in accordance with GAAS and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America (if applicable); the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards*

(Uniform Guidance) (if applicable); Section 215.97, Florida Statutes, *Florida Single Audit Act* (if applicable), and the provisions of Chapter 10.550, Rules of the State of Florida, Office of the Auditor General (if applicable). As part of an audit of financial statements in accordance with GAAS, and in accordance with Government Auditing Standards, and the provisions of Chapter 10.550, Rules of the State of Florida, Office of the Auditor General, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America, and the provisions of Chapter 10.550, Rules of the State of Florida, Office of the Auditor General. Please note that the determination of abuse is subjective and *Government Auditing Standards* does not require auditors to detect abuse.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

We will issue a written report upon completion of our audit of the Town's basic financial statements. Our report will be addressed to the governing body of the Town. 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 an emphasis-of-matter or other-matter paragraph(s) to our auditors' report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements 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 a report as a result of this engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over

compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

We also will issue a written report as required by Chapter 10.550, Rules of the State of Florida, Office of the Auditor General upon completion of our audit.

### **Reporting on Key Audit Matters**

Management has not requested that we communicate key audit matters in our auditors' report for this fiscal year.

### **Significant Risks Identified**

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

- Override of internal controls by management
- Improper revenue recognition due to fraud
- Improper use of restricted resources

Our final communication of significant risks identified will take place upon completion of our audit.

### **Audit(s) of Major Program and/or Major Project Compliance**

If applicable, our audit(s) of the Town's major federal award program(s) and/or state project(s) compliance will be conducted in accordance with the requirements of the Single Audit Act, as amended; the Uniform Guidance; and Chapter 10.550, Rules of the State of Florida, Office of the Auditor General; and will include tests of accounting records, a determination of major programs and/or projects in accordance with the Uniform Guidance, Chapter 10.550, Rules of the State of Florida, Office of the Auditor General, and other procedures we consider necessary to enable us to express such an opinion on major federal award program and/or major state project compliance and to render the required reports. We cannot provide assurance that an unmodified opinion on compliance will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether material noncompliance with applicable laws and regulations, the provisions of contracts and grant agreements applicable to major federal award programs, and the applicable compliance requirements occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on the audit. 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, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of the federal programs as a whole.

Our procedures will consist of determining major federal programs and, performing the applicable procedures described in the U.S. Office of Management and Budget OMB Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of the Town's major programs, and performing such other procedures as we consider necessary in the circumstances. The purpose of those procedures will be to express an opinion on the Town's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Also, as required by the Uniform Guidance, we will obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design and perform tests of controls 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 of the Town's major federal award programs. Our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report. However, we will communicate to you, regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we have identified during the audit.

Chapter 10.550, Rules of the State of Florida, Office of the Auditor General requires that we also plan and perform the audit to obtain reasonable assurance about whether material noncompliance with applicable laws and regulations, the provisions of contracts and grant agreements applicable to major state projects, and the applicable compliance requirements occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on the audit. 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, Government Auditing Standards, and Chapter 10.550, Rules of the State of Florida, Office of the Auditor General, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of the state projects as a whole.

Our procedures will consist of tests of transactions and other applicable procedures described in the State of Florida State Projects Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of the Organization's major state projects, and performing such other procedures as we consider necessary in the circumstances. The purpose of these procedures will be to express an opinion on the Town's compliance with requirements applicable to each of its major state projects in our report on compliance issued pursuant to Chapter 10.550, Rules of the State of Florida, Office of the Auditor General.

Also, as required by Chapter 10.550, Rules of the State of Florida, Office of the Auditor General, we will obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design and 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 state project. 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 Chapter 10.550, Rules of the State of Florida, Office of the Auditor General. However, we will communicate to you, regarding, among other matters, the

planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we have identified during the audit.

As part of a compliance audit in accordance with GAAS, and in accordance with Government Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks.

We will issue a report on compliance that will include an opinion or disclaimer of opinion regarding the Town's major federal award programs and/or major state projects, and a report on internal controls over compliance that will report any significant deficiencies and material weaknesses identified; however, such report will not express an opinion on internal control.

### **Management's Responsibilities**

Our audit will be conducted on the basis that management acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
3. For identifying, in its accounts, all federal awards received and state financial assistance expended during the period and the federal programs under which they were received;
4. For maintaining records that adequately identify the source and application of funds for federally funded activities;
5. For preparing the schedule of expenditures of federal awards and/or state financial assistance (including notes and noncash assistance received) in accordance with the Uniform Guidance (if applicable) and Chapter 10.550, Rules of the State of Florida, Office of the Auditor General requirements (if applicable);
6. For the design, implementation, and maintenance of internal control over federal awards, state financial assistance, and compliance;
7. For establishing and maintaining effective internal control over federal awards and state financial assistance that provides reasonable assurance that the Town is managing federal awards and state projects in compliance with federal and state statutes, regulations, and the terms and conditions of the federal awards and state financial assistance;
8. For identifying and ensuring that the Town complies with federal laws and state statutes, regulations, and the terms and conditions of federal award programs and state financial assistance projects and implementing systems designed to achieve compliance with applicable federal and state statutes, regulations, rules, provisions of contracts or grant agreements, and the terms and conditions of federal award programs and state financial assistance projects;
9. For disclosing accurately, currently, and completely the financial results of each federal award and major state project in accordance with the requirements of the award;
10. For identifying and providing report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented;
11. For taking prompt action when instances of noncompliance are identified;
12. For addressing the findings and recommendations of auditors, for establishing and maintaining a process to track the status of such findings and recommendations and taking corrective action on

reported audit findings from prior periods and preparing a summary schedule of prior audit findings;

13. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;
14. For submitting the reporting package and data collection form to the appropriate parties;
15. For making the auditor aware of any significant contractor relationships where the contractor is responsible for program compliance;
16. To provide us with:
  - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, including the disclosures, and relevant to federal award programs and state financial assistance projects, such as records, documentation, and other matters;
  - b. Additional information that we may request from management for the purpose of the audit;
  - c. Unrestricted access to persons within the Town from whom we determine it necessary to obtain audit evidence.
  - d. A written acknowledgement of all the documents that management expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report; and
  - e. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditors' report
17. For 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 current year period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;
18. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
19. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
20. For informing us of any known or suspected fraud affecting the Town involving management, employees with significant role in internal control and others where fraud could have a material effect on compliance;
21. For the accuracy and completeness of all information provided;
22. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information;
23. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter; and
24. For identifying and ensuring that the Town complies with applicable laws, regulations, contracts, agreements, and grants.
25. Additionally, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan. The summary schedule of prior audit findings should be available for our review on the first day of fieldwork.

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility (a) for the preparation of the supplementary information in accordance with the applicable criteria, (b) to provide us with the appropriate written representations regarding supplementary information, (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary

information, and (d) to present the supplementary information with the audited financial statements, or if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

As part of our audit process, we will request from management written confirmation concerning representations made to us in connection with the audit.

### **Additional Examination Engagements**

You have requested that we examine the Town's compliance for the fiscal years ended September 30, 2021, 2022, 2023, 2024, and 2025, with the following statutes (collectively, "the Statutes"):

- Section 218.415, Florida Statutes, *Local Government Investment Policies*

We are pleased to confirm our acceptance and our understanding of this examination engagement by means of this letter. Our examination will be conducted with the objective of expressing an opinion as to whether the Town complied in all material respects with the Statutes.

### *Practitioner Responsibilities*

We will conduct our examination in accordance with the attestation standards related to examinations of the American Institute of Certified Public Accountants. An examination-level attestation engagement involves performing procedures to obtain attest evidence about whether the Town complied with the Statutes, in all material respects. The procedures selected depend on the practitioner's judgment, including the assessment of the risks of material misstatement or misrepresentation of the subject matter, whether due to fraud or error.

Because of the inherent limitations of an examination, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or misrepresentations may not be detected exists, even though the examination is properly planned and performed in accordance with the attestation standards related to examinations of the American Institute of Certified Public Accountants. However, we will inform you of any material errors or fraud that comes to our attention, unless clearly inconsequential.

### *Management Responsibilities*

Our examination will be conducted on the basis that management and, when appropriate, those charged with governance acknowledge and understand that they have responsibility:

1. For the design, implementation, and maintenance of internal control relevant to the Statutes, which is the best means of preventing or detecting errors or fraud;
2. For selecting and determining the suitability and appropriateness of the criteria upon which compliance with the Statutes will be evaluated; and
3. To provide us with:
  - a. Access to all information of which management is aware that is relevant to compliance with the Statutes, such as records, documentation, and other matters and that you are responsible for the accuracy and completeness of that information;
  - b. Additional information that we may request from management for the purpose of the examination; and

- c. Unrestricted access to persons within the Town from whom we determine it necessary to obtain attest evidence.

As part of our examination process, we will request from you written confirmation concerning representations made to us in connection with the examination.

#### *Reporting*

We will issue a written report upon completion of our examination of the Town's compliance with the Statutes. Our report will be addressed to the governing body. 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, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

#### **Nonattest Services**

We will perform the following nonattest services: preparation of financial statements, preparation of schedule of expenditures of federal awards and state financial assistance and data collection form (if applicable). With respect to any nonattest services we perform, we will not assume management responsibilities on behalf of the Town. However, we will provide advice and recommendations to assist management of the Town in performing its responsibilities. The Town's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual (Susan Scroggaham, Director of Finance and Personnel) to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

Our responsibilities and limitations of the engagement are as follows. We will perform the services in accordance with applicable professional standards. This engagement is limited to the services previously outlined. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries. Our firm may advise the Town with regard to different matters, but the Town must make all decisions with regard to those matters.

Any nonattest services performed by us do not constitute an audit performed in accordance with *Government Auditing Standards*.

#### **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 or support for any other transactions we select for testing.

We do not host, are not the custodian of, and accept no responsibility for your financial and non-financial data. You acknowledge that you have sole responsibility for the storage and preservation of your financial and non-financial data.

During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

You agree to inform us of facts that may affect the financial statements of which you may become aware during the period from the date of the auditors' report to the date the financial statements are issued.

Zach Chalifour is the service leader for the audit services specified in this letter. The service leader's responsibilities include supervising the services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the reports.

Our fees for the audit of the financial statements and related services, including expenses, for each of the fiscal years included in this engagement are as follows:

<b>Year Ending September 30,</b>	<b>Audit Fee</b>	<b>Single Audit Fee Per Major Program/Project (if applicable)</b>	<b>Total</b>
2021	\$24,000	\$3,000	\$27,000
2022	\$25,000	\$3,100	\$28,100
2023	\$26,000	\$3,200	\$29,200
2024	\$27,000	\$3,300	\$30,300
2025	\$28,000	\$3,400	\$31,400

Our ability to provide services in accordance with our estimated fees depends on the quality, timeliness, and accuracy of the Town's records, and, for example, the number of general ledger adjustments required as a result of our work. We will also need your personnel to be readily available during the engagement to respond in a timely manner to our requests. Lack of preparation, poor records, general ledger adjustments and/or untimely assistance may result in an increase of our fees.

We will not increase the fee over the agreed amount as long as the scope of the audit is consistent with the scope outlined in the Request for Proposal (RFP). The Town is not completely in control of the scope of work for future years. Significant required changes may be mandated by federal, state, other regulatory agencies or accounting and auditing standards boards or by significant staff changes within the Town. For these reasons, if the scope of the audit changes significantly from the scope outlined in the RFP, we would present for approval, prior to commencing work, why an adjustment in fee is warranted.

This engagement may be terminated by either party for noncompliance with the terms as noted in this engagement letter. The parties will provide 60 days' notice of their intention to terminate the engagement. Upon completion of this engagement with the audit for the year ended September 30, 2025, new engagements can be entered into for an up to two additional five-year periods, at the option of both parties. Any such engagements will be evidenced by a new engagement letter.

At the conclusion of our audit engagement, we will communicate to those charged with governance the following significant findings from the audit:

- Our view about the qualitative aspects of the Town's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;

Town of Indian Shores, Florida

May 4, 2022

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- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

In accordance with the requirements of *Government Auditing Standards*, we have attached a copy of our latest external peer review report of our firm for your consideration and files.

The audit documentation for this engagement is the property of James Moore & Co., P.L. and constitutes confidential information. However, we may be requested to make certain audit documentation available to a grantor or their designee, a federal or state agency providing direct or indirect funding, or the U.S. Government Accountability Office pursuant to authority given to it by laws or regulation, or to peer reviews. If requested, access to such audit documentation will be provided under the supervision of James Moore & Co., P.L. personnel. We will notify you of any such request. Furthermore, upon request, we may provide copies of selected audit documentation to these agencies and regulators. The regulators and agencies may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

This engagement letter includes the attached James Moore & Co., P.L. Standard Terms and Conditions as Attachment A which is incorporated and made a part of this engagement letter by reference.

We appreciate the opportunity to be of service to the Town of Indian Shores, 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.

Very truly yours,



JAMES MOORE & CO., P.L.

RESPONSE:

This letter correctly sets forth the understanding of the Town of Indian Shores, Florida.

By \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

**Attachment A**  
**James Moore and Co., P.L.**  
**Standard Terms and Conditions**

The terms and conditions set forth below are incorporated into the engagement letter agreement pursuant to which James Moore & Co., P.L. (“JMCO”, the “Firm”) will provide services to Town of Indian Shores, Florida (“Client”).

- 1. Management's Responsibilities** – Management of Client is responsible for establishing and maintaining an effective internal control system. JMCO services may include advice and recommendations which management may or may not adopt. Client's management shall be fully and solely responsible for applying independent business judgment with respect to the services and work product provided by JMCO, to make implementation decisions, if any, and to determine further courses of action with respect to any matters addressed in any advice, recommendations, services, reports, or other work product or deliveries to Client. Management is responsible for the safeguarding of assets, the proper recording of transactions in the books of accounts, the substantial accuracy of the financial records, and the full and accurate disclosure of all relevant facts affecting the engagement to JMCO. Client should retain all the documents, canceled checks, and other data that form the basis of income and deductions. If the engagement also includes tax services, these records may be necessary to prove the accuracy and completeness of tax returns to a taxing authority. Client has final responsibility for the tax return(s) and; therefore should review the return(s) carefully before signing and filing.
- 2. Responsible Person** – Client designates the individual signing the engagement letter (“Representative”) as the individual to whom JMCO should look to provide information, communicate, and answer questions. Client understands that JMCO will rely on the Representative designated above and that decisions by the Representative may be beneficial to some and detrimental to others. JMCO is directed to rely on the Representative for all Client decisions including but not limited to tax treatments, allocation of income and expense items, tax elections and accounting treatments. All communication with the Representative is deemed to be communication with Client.
- 3. Advice in Writing** – JMCO only provides advice for Client to rely upon in writing. Casual discussions of tax, accounting or other issues and informal communication are not advice upon which Client can rely. Client agrees that the only advice from JMCO upon which Client may rely is written advice received from JMCO on our letterhead or via e-mail.
- 4. Unencrypted E-Mail Use Authorized for Communication** – In connection with this engagement, JMCO may communicate with Client or others via e-mail transmission. As e-mails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, JMCO cannot guarantee or warrant that e-mails from JMCO will be properly delivered and read only by the addressee. Therefore, JMCO specifically disclaims and waives any liability or responsibility whatsoever for interception or unintentional disclosure or communication of e-mail transmissions or for the unauthorized use or failed delivery of e-mails transmitted by JMCO in connection with the performance of this engagement. In that regard, Client agrees that JMCO shall have no liability for any loss or damage to any person or entity resulting from the use of e-mail transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information. During the term of this engagement Client may elect by notification in writing to JMCO to suspend or terminate the use of e-mail.

5. **Cooperation** – Client agrees to cooperate with JMCO in the performance of JMCO services for the Client, including providing JMCO with reasonable facilities and timely access to Client's data, information and personnel. Client shall be responsible for the performance of Client's employees and agents and for the accuracy and completeness of all data and information provided to JMCO for purposes of this engagement. In the event that JMCO is unable to obtain required information on a timely basis JMCO may revise its estimate of fees, alter the services required and/or terminate the engagement.
6. **Independent Contractor** – Client and JMCO are both independent contractors and neither Client nor JMCO are, or shall be considered to be, an agent, distributor or representative of the other. Neither Client nor JMCO shall act or represent itself, directly or by implication, as an agent of the other or in any manner assume or create any obligation on behalf of, or in the name of, the other.
7. **Payment of Invoices** – JMCO will bill Client for professional services, expenses, and out-of-pocket costs on a monthly basis. Payment is due within 30 days of the date on the billing statement. JMCO reserves the right to suspend work or terminate the engagement in the event that payment is not received within 30 days of the date on the billing statement. JMCO may also suspend work or terminate the engagement if information furnished is not satisfactory for JMCO to perform work on a timely basis. JMCO will notify Client if work is suspended or terminated. If JMCO elects to terminate the engagement for nonpayment or for any other reason provided for in this letter, the engagement will be deemed to have been completed for purposes of payment being due from Client. Upon written notification of termination, even if JMCO has not released work product, Client will be obligated to compensate JMCO for all time expended and to reimburse JMCO for all out-of-pocket costs through the date of termination. Suspension of work or termination of the engagement may result in missed deadlines, penalties/interest along with other consequences and Client agrees that suspended work or termination of the engagement shall not entitle Client to recover damages from JMCO. All fees, charges and other amounts payable to JMCO hereunder do not include any sales, use, value added or other applicable taxes, tariffs or duties, payment of which shall be the sole responsibility of Client, excluding any applicable taxes based on JMCO's net income or taxes arising from the employment or independent contractor relationship between JMCO and JMCO's personnel. A late payment charge of 1½% per month will be assessed on any balance that remains unpaid after deduction of current payments, credits, and allowances after 90 days from the date of billing. This is an Annual Percentage Rate of 18%.
8. **Confidential & Proprietary Information** – Client and JMCO both acknowledge and agree that all information communicated by one party (the "Disclosing Party") to the other (the "Receiving Party") in connection with this engagement shall be received in confidence, shall be used only for purposes of this engagement, and no such confidential information shall be disclosed by the Receiving Party or its agents or personnel without the prior written consent of the other party. Except to the extent otherwise required by applicable law or professional standards, the obligations under this section do not apply to information that: (a) is or becomes generally available to the public other than as a result of disclosure by the Receiving Party, (b) was known to the Receiving Party or had been previously possessed by the Receiving Party without restriction against disclosure at the time of receipt thereof by the Receiving Party, (c) was independently developed by the Receiving Party without violation of this agreement or (d) Client and JMCO agree from time to time to disclose. Each party shall be deemed to have met its nondisclosure obligations under this paragraph as long as it exercises the same level of care to protect the other's information, except to the extent that applicable law, regulations or professional standards impose a higher requirement. JMCO may retain, subject to the terms of this Paragraph, one copy of Client's confidential information required for compliance with applicable professional standards or internal policies. If either Client or JMCO receives a subpoena or other validly issued administrative or judicial demand requiring it to disclose the other party's confidential information, such party shall (if permitted to do so) provide written notice to the other of such demand in order to permit it to seek a protective order. So long as the notifying party gives notice as provided herein, the notifying party shall be entitled to comply with such demands to the extent permitted by law, subject to any protective order or the like that may have been entered into in the matter. In the event that Client wishes to assert

a privilege or Client fails to respond and JMCO asserts the privilege on Client's behalf, Client agrees to pay for all expenses incurred by JMCO in defending the privilege, including, by way of illustration only, JMCO's attorney's fees, court costs, outside adviser's costs, penalties and fines imposed as a result of Client asserting the privilege or Client's direction to JMCO to assert the privilege. JMCO's techniques, judgments, methodology, and practices relating to its engagement practices are agreed by Client and JMCO to constitute proprietary confidential business information in the nature of trade secrets, security measures, systems and procedures which are in the nature of competitive interests which would impair the competitive business of JMCO should the information be released. Notwithstanding the foregoing, the terms of this paragraph shall not apply to contravene any statute or regulation.

9. **Disclosures** – Certain communications involving advice are privileged and not subject to disclosure. By disclosing the contents of those communications to anyone, or by turning over information about those communications to the government, Client, Client's employees or Client's agents may be waiving this privilege. To protect this right to privileged communication, please consult with JMCO or an attorney prior to disclosing any information about JMCO advice. Should Client determine that it is appropriate for JMCO to disclose any potentially privileged communication; Client agrees to provide JMCO with written, advance authority to make that disclosure.
10. **Force Majeure** – Neither Client nor JMCO shall be liable for any delays resulting from circumstances or causes beyond our reasonable control, including, without limitation, fire or other casualty, act of God, strike or labor dispute, war or other violence, or any law, order or requirement of any government agency or authority.
11. **Indemnification** – Client, its officers and directors hereby agrees to indemnify; agrees to pay for the defense (with counsel of JMCO's choosing) of JMCO, (including JMCO's principals, employees and authorized agents) and agrees to hold JMCO harmless from any and all suits, claims, actions, proceedings, liabilities, judgments, losses and costs whatsoever (including but not limited to attorneys' fees and litigation costs) arising in connection with any services performed or products provided by JMCO pursuant to, or under the cover of this engagement letter (Indemnity) as described in this paragraph. This Indemnity relates only to circumstances (1) in which there is a knowing misrepresentation by Client and/or its management relating to this engagement (2) arising out of or relating to claims by Client's employees or former employees/contractors for our critiques of employee performance and (3) third party use of JMCO work product. The foregoing indemnity is intended to apply to the extent not contrary to applicable law and/or regulations governing the provision of professional services. This provision shall survive the termination of this engagement for a period of five years. Notwithstanding the foregoing, the provisions of this paragraph shall not apply to Client when JMCO provides attest services to a Securities Exchange Commission Registrant Public Entity, Employee Benefit Plan, Bank, Credit Union or any other entity for which the terms of this paragraph shall be prohibited by law or regulation.
12. **Errors, Fraud, Theft, Embezzlement, Illegal Acts** – Unless a Statement of Work specifically obligates JMCO to search for fraud, theft, embezzlement and/or illegal acts, JMCO services cannot be relied upon to disclose errors, fraud, theft, embezzlement or other illegal acts that may exist, nor will we be responsible for the impact on our services of incomplete, missing, or withheld information, or mistaken or fraudulent data provided from any source or sources. However, we will inform you of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention.
13. **Document Retention and Ownership** – The parties agree that JMCO will endeavor to retain documents and records in accordance with the Firm's Record Retention and Destruction Policy. Client agrees that after the specified period of retention expires (typically seven (7) years), documents and records may not be available. However, the related engagement records will not be destroyed regardless of the retention period, if JMCO has knowledge of potential or pending legal action and/or investigation by a regulatory agency, and it has been determined by the Firm that the records in question are relevant to said legal action and/or investigation. If it is determined that the records in

question are relevant to the legal action and/or investigation, the Firm will impose a litigation hold on the records thereby suspending the scheduled destruction of the records. As potential or pending legal action or an investigation may not be public knowledge, we request that you inform us of any such legal action or investigation in a timely manner. Likewise, we request that you inform us when all legal action or investigation has been concluded so that the Firm can release the litigation hold and the records related to our engagement can be destroyed in accordance with our Record Retention and Destruction Policy. JMCO does not retain original client records or documents. Records prepared by us specifically for you as part of this engagement (for example, financial statements and other financial reports, tax returns, general ledgers, depreciation schedules, etc.) and other supporting records prepared by JMCO (for example, adjusting entries and related support, data combining schedules, calculations supporting amounts in tax returns and financial statements, letters, memos and electronic mail, etc.) will remain part of the engagement records. When any records are returned or provided to you, it is your responsibility to retain and protect them for possible future use, including potential examination by any government or regulatory agencies. JMCO owns and retains the rights to JMCO's internal working papers; any information created by JMCO is not the property of Client. In the event that documents are requested by the Representative or any other individual considered by law or regulation to be our client we will furnish the documents readily available in the Client file (which shall not include any obligation on JMCO's part to undertake a search of JMCO's electronic document and email files) to the requesting party.

14. **Hosting of Client Data** – JMCO does not Host, is not the custodian of, and accepts no responsibility for Client financial and non-financial data. Client acknowledges that it has sole responsibility for the storage and preservation of its financial and non-financial data.
15. **Professional Standards** – JMCO will perform this engagement in accordance with the professional standards applicable to the engagement including those standards promulgated by the American Institute of Certified Public Accountants. In the event that issues arise that present a conflict of interest and/or a potential for breach of professional standards it may become necessary to terminate or suspend services of this engagement. We will notify you if this issue arises.
16. **Use of Third Party Providers** – In the normal course of business, JMCO uses the services of third-parties and individual contractors, which are not employees of JMCO. Those services are performed at various levels and in various aspects of JMCO's engagements including bookkeeping, tax return preparation, consulting, audit and other attest services and clerical and data entry functions. It is possible that during the course of the engagement JMCO may utilize such third-party and individual contractor sources. Additionally, the engagement will, of necessity, require JMCO to handle confidential information and JMCO expects third-party service providers and individual contractors to maintain the confidentiality of such information. To be reasonably assured that unauthorized release of confidential client information does not occur, JMCO requires those individuals and third-party service providers to enter into a written agreement to maintain the confidentiality of such information. Client acceptance of this arrangement acknowledges and accepts our handling of confidential Client information including access by third-party and individual service providers.
17. **Limitation of Liability and Actions** – Neither party may assert against the other party any claim in connection with this engagement unless the asserting party has given the other party written notice of the claim within one (1) year after the asserting party first knew or should have known of the facts giving rise to such claim. Notwithstanding anything to the contrary, JMCO's maximum aggregate liability in this engagement (regardless of the nature of the any claim asserted, including contract, statute, any form of negligence, tort, strict liability or otherwise and whether asserted by Client, JMCO or others) shall be limited to twice the sum of the fees paid to JMCO during the term of this engagement. In no event shall JMCO be liable for consequential, incidental, special or punitive loss, damage or expense (including, without limitation, lost profits, opportunity costs, etc.) even if JMCO had been advised of their possible existence. This provision shall survive the termination of this agreement. Notwithstanding the foregoing, the provisions of this paragraph shall not apply to Client when JMCO provides attest services to a Securities Exchange Commission Registrant Public Entity,

Employee Benefit Plan, Bank, Credit Union or any other entity for which the terms of this paragraph shall be prohibited by law or regulation.

18. **Mediation** – Prior to resorting to arbitration or litigation that may arise regarding the meaning, performance or enforcement of this engagement or any prior engagement the parties agree to attempt resolution of any dispute in mediation administered by and conducted under the rules of the American Arbitration Association (AAA) in mediation session(s) in Alachua County, Florida. Unless the parties agree in writing to the contrary, the parties will engage in the mediation process in good faith once a written request to mediate has been given by any party to the engagement. The results of any such mediation shall be binding only upon agreement of each party to be bound. Each party may disclose any facts to the other party or to the mediator that it in good faith considers reasonably necessary to resolve the dispute. However, all such disclosures shall be deemed in furtherance of settlement efforts and shall not be admissible in any subsequent proceeding against the disclosing party. Except as agreed to in writing by both parties, the mediator shall keep confidential all information disclosed during mediation. The mediator shall not act as a witness for either party in any subsequent proceeding between the parties. The costs of any mediation proceeding shall be shared equally by the participating parties.
19. **Binding Arbitration** – All disputes not resolved by mediation (as described above) arising out of and/or related to the services and/or relationship with JMCO and Client will be resolved through binding arbitration. The parties agree that they are irrevocably voluntarily waiving the right to a trial by jury by entering into this voluntary binding arbitration agreement. The arbitration proceeding shall take place in Alachua County, Florida. The arbitration shall be governed by the provisions of the laws of Florida (except if there is no applicable state law providing for such arbitration, then the Federal Arbitration Act shall apply) and the substantive law of Florida shall be applied without reference to conflicts of law rules. In any arbitration instituted hereunder, the proceedings shall proceed in accordance with the then current Arbitration Rules for Professional Accounting and Related Disputes of the American Arbitration Association (AAA), except that discovery shall be limited to identification of witnesses, exchange of expert reports, deposition of experts only, exchange of documents in the Client file and interrogatories and shall not include any exchange of e-mail or any requirement to produce or search for e-mail. Any Dispute regarding discovery, or the relevance or scope thereof, shall be determined by the Arbitration Panel (as defined below). For amounts in dispute less than One Million Dollars, the arbitration shall be conducted before a single arbitrator appointed as a neutral by the AAA. The single arbitrator shall be both a licensed attorney and a licensed certified public accountant at the time of appointment as the arbitrator. If the amount in dispute is One Million Dollars or more, the arbitration shall be conducted before a panel of three persons, all panel members must be members of the AAA's panel of neutrals with one arbitrator selected by each party (party selection shall be completed within twenty days of receipt of the panel nominees from the AAA or, failing party selection the panel members shall be appointed by the AAA), and the third member of the panel will be selected by the AAA will be licensed as a certified public accountant at the time of appointment to the panel (the "Arbitration Panel"). The party-selected arbitrators shall be treated as neutrals. The Arbitration Panel shall have no authority to award non-monetary or equitable relief, but nothing herein shall be construed as a prohibition against a party from pursuing non-monetary or equitable relief in a state or federal court. The parties also waive the right to punitive damages and the arbitrators shall have no authority to award such damages or any other damages that are not strictly compensatory in nature. In rendering their award the Arbitration Panel shall issue a reasoned award. The Arbitration Panel is directed to award attorneys' fees and costs along with the costs of the arbitration proceeding to the prevailing party as determined by the Arbitration Panel. The confidentiality provisions applicable to mediation shall also apply to arbitration. The award issued by the Arbitration Panel may be confirmed in a judgment by any federal or state court of competent jurisdiction. In no event shall a demand for arbitration be made after the date on which the initiation of the legal or equitable proceeding on the same dispute would be barred by the applicable statute of limitations or statute of repose or this agreement. For the purposes of applying the statute of limitations or repose or this agreement, receipt of a written demand for arbitration by the AAA shall be deemed the initiation of the legal or equitable proceeding based on such dispute.

20. **Employees** – Both Client and JMCO agree that they will not employ any employee of the other within one year of the employee's last day of employment with the other, unless mutually agreed upon in writing. Employment of a former employee within one year of the employee leaving the other party may cause significant economic losses and/or breach of professional standards for JMCO and potential economic loss and/or potential conflicts of interest for Client. If this provision is breached, client will pay 3 months' salary of the employee to JMCO.
21. **Posting and Distribution of Information** – JMCO's permission is required prior to distribution or posting of JMCO work product. If Client plans to distribute or post online any of JMCO's work product, a copy of the document, reproduction master or proof will be submitted to JMCO not less than seven days prior to distribution or posting to provide JMCO sufficient time for our reading and approval prior to distribution or posting. If, in our professional judgment, the circumstances require, we may withhold our written consent. Client agrees that prior to posting an electronic copy of any of JMCO's work product, including but not limited to financial statements and our report(s) thereon, that Client will ensure that there are no differences in content between the electronic version posted and the original signed version provided to management by JMCO. Except as prohibited by law and/or regulation, client agrees to indemnify JMCO, defend using counsel of JMCO's choosing and hold JMCO harmless from any and all claims that may arise from any differences between electronic and original signed versions of JMCO's work product.
22. **Assignment** – Neither party may assign any of its rights or obligations under the terms of this engagement without the prior written consent to the other.
23. **Additional Work** – From time to time Client may request that JMCO undertake to complete additional work. In the event that such work is undertaken without a separate written engagement understanding then the terms of this engagement letter shall govern the additional work.
24. **Entire Agreement** – This engagement letter constitutes the entire understanding between the parties regarding the JMCO services and supersedes all prior understandings relating to JMCO services. No amendment, modification, waiver or discharge of the terms of this engagement letter shall be valid unless in writing and signed by authorized representatives of both parties. This understanding has been entered into solely between Client and JMCO, and no third-party beneficiaries are created hereby. In the event any provision(s) of the terms of this document shall be invalidated or otherwise deemed unenforceable, such finding shall not cause the remainder of this document to become unenforceable. The proper venue for all actions involving the relationship between JMCO and Client are the tribunals of principal jurisdiction in Alachua County, Florida. This engagement and the relationship between the parties shall be construed and enforced in accordance with, and governed by Florida law without giving effect to Florida's choice of law principles. This document may be transmitted in electronic format and shall not be denied legal effect solely because it was formed or transmitted, in whole or in part, by electronic record; however, this document must then remain capable of being retained and accurately reproduced, from time to time, by electronic record by the parties and all other persons or entities required by law. An electronically transmitted signature or acknowledgment will be deemed an acceptable original for purposes of binding the party providing such electronic signature.

## REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL

April 23, 2021

To the Members  
James Moore & Co., P.L.  
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of James Moore & Co., P.L. (the firm) in effect for the year ended October 31, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

### Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act and audits of employee benefit plans.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of James Moore & Co., P.L. in effect for the year ended October 31, 2020, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. James Moore & Co., P.L. has received a peer review rating of *pass*.

*Haddox Reid Eubank Betts PLLC*