

TOWN OF GOLDEN BEACH, FLORIDA

RESOLUTION NO. 1965.08

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF GOLDEN BEACH, FLORIDA, RENEWING THE ENGAGEMENT WITH KEEFE, MCCULLOUGH & CO., LLP; CERTIFIED PUBLIC ACCOUNTANTS; APPROVING ENGAGEMENT LETTER WITH KEEFE, MCCULLOUGH & CO., LLP, FOR AUDIT SERVICES; PROVIDING FOR IMPLEMENTATION; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Town of Golden Beach (the "Town") presently engages Keefe, McCullough & Co., LLP in connection with certain accounting services; and

WHEREAS, the Town Manager recommends that the engagement with Keefe, McCullough & Co., LLP be renewed, as set forth in the attached Memorandum accompanying this Resolution as Exhibit "A"; and

WHEREAS, the Town Council has accepted the above-referenced recommendation and now desires to obtain the professional services of Keefe, McCullough & Co., LLP, concerning the provision of auditing services with respect to the Town's fiscal year 2008 financial statements; and

WHEREAS, the Town Council finds that the engagement of Keefe, McCullough & Co., LLP under the terms of the engagement letter attached as Exhibit "B" is in the best interest of the Town.

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

Section 1. Recitals Adopted. That each of the recitals stated above is hereby adopted and confirmed.

Section 2. Renewal. The engagement of Keefe, McCullough & Co., LLP is hereby renewed subject to the execution of the engagement letter as provided for in Section 3 below.

Section 3. Agreement Approved. The engagement of Keefe, McCullough & Co., LLP under the terms of the engagement letter attached hereto as Exhibit "B" is hereby approved and the Mayor is hereby authorized to execute the engagement letter, on behalf of the Town, once approved as to form and legal sufficiency by the Town Attorney.

Section 4. Implementation. That the Town Manager and Town Attorney are hereby authorized to take any necessary action to implement this Resolution.

Section 5. Effective Date. That this Resolution shall be effective immediately upon adoption hereof.

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

Mayor Glenn Singer	<u>Aye</u>
Vice Mayor Amy Rojas	<u>Aye</u>
Councilmember Bernard Einstein	<u>Aye</u>
Councilmember Judy Lusskin	<u>Aye</u>
Councilmember Ken Bernstein	<u>Absent</u>

PASSED AND ADOPTED by the Town Council of the Town of Golden Beach, Florida, this 18th day of November, 2008.



MAYOR GLENN SINGER

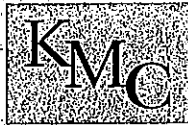
ATTEST:


ELIZABETH SEWELL
TOWN CLERK

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY:



STEPHEN J. HELFMAN
TOWN ATTORNEY



KEEFE, MCCULLOUGH & CO., LLP
CERTIFIED PUBLIC ACCOUNTANTS

JOHN R. KEEFE, C.P.A.
STEVEN H. WOODS, C.P.A.
DAVID T. WILLIAMS, C.P.A.
JOSEPH D. LEO, C.P.A.
WILLIAM G. BENSON, C.P.A.
KENNETH G. SMITH, C.P.A.

LOUIS R. PROBITTO, C.P.A.
CYNTHIA L. CALVERT, C.P.A.
JOHN E. MCCULLOUGH, C.P.A. (RETIRED)
THOMAS T. CARPENTER, C.P.A. (RETIRED)
PAUL B. SNEIDER, C.P.A. (RETIRED)
BRIAN D. PINNELL, C.P.A. (RETIRED)

ISRAEL J. GOMEZ, G.P.A.
CHARLES K. RUMPF, C.P.A.
JAMES R. LARAWAY, C.P.A.

ROSS S. GOTTHOFFER, C.P.A.
HILLARY B. DAIGLE, C.P.A.

6550 NORTH FEDERAL HIGHWAY
SUITE 410
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(954) 771-0896
FAX: (954) 938-9353
E-MAIL: kmc@kmc CPA.com

November 12, 2008

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

Dear Council Members:

We are pleased to confirm our understanding of the services we are to provide the Town of Golden Beach, for the year ended September 30, 2008, with two one-year options for 2009 and 2010. We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, which collectively comprise the entity's basic financial statements, of the Town of Golden Beach as of and for the year ended September 30, 2008. The following supplementary information accompanying the basic financial statements is required by accounting principles generally accepted in the United States of America and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis.
2. Required Supplementary Information

Also, the following additional information accompanying the basic financial statements will be subjected to the auditing procedures applied in our audit of the financial statements upon which we will provide an opinion in relation to the basic financial statements.

1. Other Supplementary Information
2. Non-Major Fund Financial Statements

Audit Objectives

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America and to report on the fairness of the additional information referred to in the first paragraph when considered in relation to the basic financial statements taken as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and will include tests of the accounting records of the Town of Golden Beach and other procedures we consider necessary to enable us to express such opinions. If our opinions on the financial statements are other than unqualified, we will fully 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.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants, noncompliance with which could have a material effect on the financial statements as required by Government Auditing Standards. The reports on internal control

and compliance will each include a statement that the report is intended solely for the information and use of the Town Council, management, and specific legislative or regulatory bodies and is not intended to be and should not be used by anyone other than these specified parties.

Management Responsibilities

Management is responsible for establishing and maintaining effective internal control and for compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of the controls. The objectives of internal control are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorizations and recorded properly to permit the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America. Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein.

You are responsible for management decisions and functions. As part of the audit, we will prepare a draft of your financial statements and related notes. In accordance with *Government Auditing Standards*, you will be required to review and approve those financial statements prior to their issuance and have a responsibility to be in a position in fact and appearance to make an informed judgment on those financial statements. Further, you are required to designate a qualified management-level individual to be responsible and accountable for overseeing our services.

Management is responsible for making all financial records and related information available to us. We understand that you will provide us with such information required for our audit and that you are responsible for the accuracy and completeness of that information. Management's responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Golden Beach and the respective changes in financial position and cash flows, where applicable, in conformity with accounting principles generally accepted in the United States of America.

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, or illegal acts affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts 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, or illegal acts 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 entity complies with applicable laws and regulations and for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report.

Management is responsible for establishment and maintenance of a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous audits or other engagements or 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 or other engagements 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, and the timing and format related thereto.

As part of the audit, we will prepare a draft of your financial statements and related notes. In accordance with Government Auditing Standards, you will be required to review and approve those financial statements prior to their issuance and have a responsibility to be in a position in fact and appearance to make an informed judgment on those financial statements. Further, you are required to designate a qualified management-level individual to be responsible and accountable for overseeing our services as mentioned above. We will prepare the general ledger trial balance for use during the audit. Our preparation of the trial balance will be limited to formatting information in the Town of Golden Beach's general ledger into a working trial balance.

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. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, Government Auditing Standards do not expect auditors to provide reasonable assurance of detecting abuse.

Because an audit is designed to provide reasonable, but not absolute assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform you of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

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, creditors; and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from you about the financial statements and related matters.

Audit Procedures - Internal Controls

Our audit will include obtaining an understanding of the entity 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 that 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*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies. 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 professional standards and *Government Auditing Standards*.

Audit Procedures - Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Town of Golden Beach's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Audit Administration, Fees, and Other

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

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.

The audit documentation for this engagement is the property of Keefe, McCullough & Co, LLP and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to an oversight agency or its designee, a Federal agency providing direct or indirect funding, or the United States General Accountable 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 Keefe, McCullough & Co., LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

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

Our fees for these services will be \$ 26,000. The fee does not include the cost of either a federal or state single audit, if necessary. We will also commit to the cost of completing a single audit to be approximately \$ 3,000, if any. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes ninety days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on timely preparation of various workpapers, financial statement schedules, and other data by your personnel and the assumption that unexpected circumstances will not be encountered during the audit. We have supplied you with a detailed list of these schedules, statements, and other information to assist in the preparation of your audit, which will need to be completed at the commencement of the field work of your engagement. This fee structure is for the audit for the year ended September 30, 2008 and will be increased for the years ended September 30, 2009 and 2010 by \$ 1,500 annually upon mutual written consent.

Any additional services you request will be discounted 20% off our normal billing rates as follows:

Partner	\$ 215
Manager	\$ 135-145
Supervisor	\$ 105-130
Senior	\$ 90-100
Staff	\$ 65-85

In addition, we will commit to delivering a draft of the Town's financial statements and related reports no later than January 31, 2009, provided we have all the information requested one month prior to that date. For the option years, we will abide by the timetable noted in the request for proposal (RFP) dated October 15, 2008.

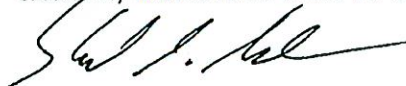
We expect to start our field work on December 15, 2008, for the year ended September 30, 2008, and earlier to abide by the timetable set forth in the RFP for the option years.

Government Auditing Standards required that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2005 peer review accompanies this letter.

We appreciate the opportunity to be of service to the Town of Golden Beach 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,

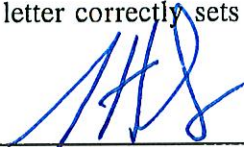
KEEFE, McCULLOUGH & CO., LLP



Kenneth G. Smith, C.P.A.

ACKNOWLEDGMENT:

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



Signature

MAYOR

Title

12/10/08

Date



Abbott, Jordan & Koon, LLC

CERTIFIED PUBLIC ACCOUNTANTS

P.O. Box 609 □ 405 Second Street □ Manchester, GA 31816
(706) 846-8401 □ Fax: (706) 846-3370

To the Partners
Keefe, McCullough & Co., LLP

We have reviewed the system of quality control for the accounting and auditing practice of Keefe, McCullough & Co., LLP (the firm) in effect for the year ended August 31, 2005. A system of quality control encompasses the firm's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of conforming with professional standards. The elements of quality control are described in the Statements on Quality Control Standards issued by the American Institute of Certified Public Accountants (AICPA). The firm is responsible for designing a system of quality control and complying with it to provide the firm reasonable assurance of conforming with professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance with its system of quality control based on our review.

Our review was conducted in accordance with standards established by the Peer Review Board of the AICPA. During our review, we read required representations from the firm, interviewed firm personnel and obtained an understanding of the nature of the firm's accounting and auditing practice, and the design of the firm's system of quality control sufficient to assess the risks implicit in its practice. Based on our assessments, we selected engagements and administrative files to test for conformity with professional standards and compliance with the firm's system of quality control. The engagements selected represented a reasonable cross-section of the firm's accounting and auditing practice with emphasis on higher-risk engagements. (The engagements selected included among others, audits of Employee Benefit Plans and engagements performed under *Government Auditing Standards*). Prior to concluding the review, we reassessed the adequacy of the scope of the peer review procedures and met with firm management to discuss the results of our review. We believe that the procedures we performed provide a reasonable basis for our opinion.

In performing our review, we obtained an understanding of the system of quality control for the firm's accounting and auditing practice. In addition, we tested compliance with the firm's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of the firm's policies and procedures on selected engagements. Our review was based on selected tests therefore it would not necessarily detect all weaknesses in the system of quality control or all instances of noncompliance with it. There are inherent limitations in the effectiveness of any system of quality control and therefore noncompliance with the system of quality control may occur and not be detected. Projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or because the degree of compliance with the policies or procedures may deteriorate.

MEMBERS OF
PRIVATE COMPANIES PRACTICE SECTION OF THE
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
GEORGIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

In our opinion, the system of quality control for the accounting and auditing practice of Keefe, McCullough & Co., LLP in effect for the year ended August 31, 2005, has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA and was complied with during the year then ended to provide the firm with reasonable assurance of conforming with professional standards.

Silbert Gordon & Koon

Manchester, Georgia
December 2, 2005



FLORIDA INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

325 WEST COLLEGE AVENUE • P.O. BOX 5437 • TALLAHASSEE, FLORIDA 32314
TELEPHONE (850) 224-2727 • FAX (850) 222-8190

April 24, 2006

Joseph D. Leo, CPA
Keefe, McCullough & Co., LLP
6550 N Federal Hwy Ste 410
Fort Lauderdale, FL 33308-1417

Dear Mr. Leo:

It is my pleasure to notify you that on April 24, 2006 the Florida Peer Review Committee accepted the report on the most recent peer review of your firm. The due date for your next review is February 28, 2009. This is the date by which all review documents should be completed and submitted to the administering entity. Since your firm's due date falls between January and April, you may arrange to have your review a few months earlier to avoid having a review during tax season.

As you know, the reviewer's opinion was unmodified. The Committee asked me to convey its congratulations to the firm.

Sincerely,

Paul N. Brown
Peer Review
Director of Technical Services

cc: David C Jordan, CPA

Firm Number: 10036786

Review Number: 227614

A I C P A
PEER REVIEW PROGRAM

is proud to present this

Certificate of Recognition

to

Keefe, McCullough & Co., LLP

For having a system of quality control for its accounting and auditing practice in effect for the year ended August 31, 2005 which has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA and which was complied with during the year then ended to provide the firm with reasonable assurance of conforming with professional standards.



David A. Jenth

David A. Jenth, Chair
AICPA Peer Review Board
2005