

**GOLDEN BEACH, FLORIDA**

**RESOLUTION NO. 1096.98**

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF GOLDEN BEACH, FLORIDA; PROVIDING FOR AN EXTENSION TO THE AGREEMENT WITH RACHLIN COHEN & HOLTZ, CPA, TO PROVIDE THE ANNUAL AUDITS FOR THE TOWN; PROVIDING FOR SEVERABILITY; PROVIDING FOR CONFLICTS; AND PROVIDING AN EFFECTIVE DATE.

**WHEREAS**, the Town records indicate that the accounting firm of Rachlin Cohen & Holtz, CPA, f/k/a Rachlin & Cohen, has performed the annual audit for the Town of Golden Beach since the fiscal year ending September 30, 1993; and

**WHEREAS**, the Town has been pleased with the services provided by Rachlin Cohen & Holtz and wishes to consider an extension of the agreement for those services;

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

**Section 1.** That the Town hereby accepts the proposal from Rachlin Cohen & Holtz to perform audit services for the fiscal years ending September 30, 1998, 1999 and 2000, for fees in the amount of \$22,000.00, \$24,000.00 and \$27,000.00, respectively, substantially as provided in the attached letter agreement dated April 24, 1998.

**Section 2.** That the appropriate Town officials are authorized and directed to sign the acceptance of the letter agreement.

**Section 3. Severability.** That the provisions of this Resolution are declared to be severable and if any section, sentence, clause or phrase of this Resolution shall, for any reason, be held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining sections,

clauses, sentences and phrases of this Resolution but they shall remain in effect, notwithstanding the invalidity of any part.

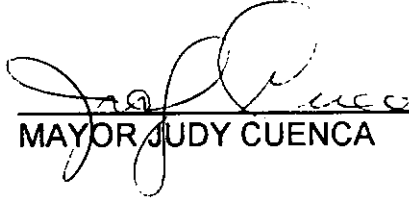
**Section 4. Conflict.** That all resolutions or parts of resolutions in conflict with this Resolution are hereby repealed to the extent of such conflict.

**Section 5. Effective Date.** That this Resolution shall become effective immediately upon approval of the Town Council.

The Motion to adopt the foregoing Resolution was offered by Councilmember Fistel, seconded by Councilmember Chikovsky and on roll call the following vote ensued:

Mayor Cuenca	<u>Aye</u>
Vice Mayor Addicott	<u>Aye</u>
Councilmember Chikovsky	<u>Aye</u>
Councilmember Fistel	<u>Aye</u>
Councilmember Rodriguez	<u>Aye</u>

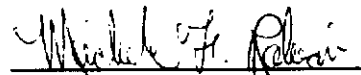
**PASSED AND ADOPTED** by the Town Council of the Town of Golden Beach this 19<sup>th</sup> day of May, 1998.




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MAYOR JUDY CUENCA


ATTEST:




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MICHELE F. ROBINEAU, CMC  
DEPUTY TOWN CLERK

APPROVED AS TO FORM AND LEGAL SUFFICIENCY




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JON M. HENNING  
TOWN ATTORNEY



RECEIVED  
MAY 15 1998

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS  
A Partnership Including Professional Associations

G. Jerry Chiocca, CPA  
Director - Miami  
chiocca@rchcpa.com

April 24, 1998

Mr. Robert Johnston, Town Manager  
Town of Golden Beach  
One Golden Beach Drive  
Golden Beach, FL 33160

Dear Mr. Johnston:

We are pleased to confirm our understanding of the services we are to provide the Town of Golden Beach, Florida. We will audit the general purpose financial statements of the Town of Golden Beach, Florida as of and for the years ending September 30, 1998, 1999, and 2000.

The objective of our audit is the expression of an opinion as to whether the general purpose financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles. Our audit will be conducted in accordance with generally accepted auditing standards; 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, Florida and other procedures we consider necessary to enable us to express an unqualified opinion that the general purpose financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles. If our opinion is other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit, we may decline to express an opinion or may not issue a report as a result of this engagement.

The management of the Town of Golden Beach, Florida is responsible for establishing and maintaining internal control. 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 general purpose financial statements in accordance with generally accepted accounting principles.

In planning and performing our audit, we will consider the internal control sufficient to plan the audit in order to determine the nature, timing, and extent of our auditing procedures the purpose of expressing our opinions on the Town's general purpose financial statements.

We will obtain an understanding of the design of the relevant controls and whether they have been placed in operation, and we will assess control risk. 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 general purpose 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 general purpose financial statements. (Tests of controls are required only if control risk is assessed below the maximum level.) Our tests, if performed, will be less in scope than would be necessary to render an opinion on the internal control and, accordingly, no opinion will be expressed.

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An audit is not designed to provide assurance on internal control or to identify all reportable conditions. However, we will inform you of any matters involving internal control and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

Identifying and ensuring that the Town of Golden Beach, Florida complies with laws, regulations, contracts, and grant agreements applicable to the Town of Golden Beach, Florida is the responsibility of the Town's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we will perform tests of the Town's compliance with applicable laws and regulations and the provisions of contracts and grants. However, the objective of our audit will not be to provide an opinion on overall compliance with such provisions, and we will not express such an opinion.

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, if any, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. We will request written representation 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 request certain written representations from you about the financial statements and related matters.

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 assurance rather than absolute assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. Because of the concept of reasonable assurance and because we will not perform a detailed examination of all transactions, there is a risk that material errors, fraud, or other illegal acts may exist and not be detected by us. However, we will inform you of any material errors and any fraud that come to our attention. We will also inform you of any other illegal acts 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 matters that might arise during any later periods for which we are not engaged as auditors.

Management is responsible for making all financial records and related information available to us. We understand that you will provide us with the basic information required for our audit and that you are responsible for the accuracy and completeness of that information. We will advise you about appropriate accounting principles and their application and will assist in the preparation of your financial statements, but the responsibility for the financial statements remains with you. That responsibility includes the establishment and maintenance of adequate records and effective internal control over financial reporting, the selection and application of accounting principles, and the safeguarding of assets.

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

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Our audit is not specifically designed and cannot be relied on to disclose reportable conditions, that is, significant deficiencies in the design or operation of the internal control structure. However, during the audit, if we become aware of such reportable conditions or ways that we believe management practices can be improved, we will communicate them to you in a separate letter.

Because many computerized systems use only two digits to record the year in date fields (for example, the year 1998 is recorded as 98), such systems may not be able to process dates accurately in the year 2000 and after. The effects of this problem will vary from system to system and may adversely affect an entity's operations as well as its ability to prepare financial statements.

An audit of financial statements conducted in accordance with generally accepted auditing standards is not designed to detect whether a company's systems are year 2000 complaint. Further, we have no responsibility with regard to the Company's efforts to make its systems, or any other systems, such as those of the Company's vendors, service providers, or any other third parties, year 2000 complaint or provide assurance on whether the Company has addressed or will be able to address all of the affected systems on a timely basis. These are responsibilities of the Company's management. However, for the benefit of management, we may choose to communicate matters that come to our attention relating to the year 2000 issue.

We understand the workpapers for this engagement are the property of Rachlin Cohen & Holtz and constitute confidential information. However, we may be requested to make certain workpapers available to regulatory agencies pursuant to authority given to it by law or regulation. If requested, access to such workpapers will be provided under the supervision of Rachlin Cohen & Holtz personnel. Furthermore, upon request, we may provide photocopies of selected workpapers to regulatory agencies. The regulatory agency may intend, or decide, to distribute the photocopies of information contained herein to others, including other governmental agencies.

Our fees for these services will be at our standard hourly rates plus out-of-pocket costs, if any, and are estimated to be \$22,000, \$24,000 and \$27,000 for September 30, 1998, 1999 and 2000 respectively. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm's policies, should any invoices remain unpaid for more than thirty days, we reserve the right to defer providing any additional services until all outstanding invoices are paid. A late payment charge of 1% per month will be added to all unpaid balances after thirty days. If we elect to terminate our services for nonpayment, you will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Our invoices for these services will be rendered as the work progresses and are payable on presentation. In accordance with our firm's policies, should any invoices remain unpaid for more than thirty days, we reserve the right to defer providing any additional services until all outstanding invoices are paid. A late payment charge of 1% per month will be added to all unpaid balances after thirty days. The above fee is based on anticipated

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Mr. Robert Johnston, Town Manager  
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cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

If the Town of Golden Beach, Florida is required to have a Single Audit performed in accordance with generally accepted auditing standards; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, during the periods covered by this letter, we will prepare an addendum to this letter indicating the additional services necessary to complete the engagement and the additional fees.

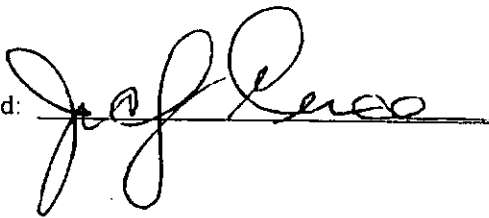
We appreciate the opportunity to be of continued service to you and look forward to continuing our relationship with the Town of Golden Beach. If the foregoing is in accordance with your understanding, please sign the enclosed copy of this letter in the space provided and return it to us.

Sincerely,

  
G. Jerry Chiocca, CPA

APPROVED:

Signed: \_\_\_\_\_



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

5/19/98