

RESOLUTION 17-04-24

A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF LAKE PARK, FLORIDA AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE THE ENGAGEMENT LETTER WITH MARCUM LLP FOR THE PROVISION OF EXTERNAL AUDITING SERVICES FOR THE TOWN OF LAKE PARK; AND, PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Town of Lake Park, Florida (hereinafter “Town”) is a municipal corporation of the State of Florida with such power and authority as has been conferred upon it by the Florida Constitution and Chapter 166, Florida Statutes; and

WHEREAS, the Town is empowered to enter into contractual arrangements with public agencies, private corporations or other persons; and

WHEREAS, the Town solicited proposals for the provision of external auditing services to the Town of Lake Park; and

WHEREAS, the Town complied with the requirements of its Code and Florida Statutes pertaining to the competitive solicitation of products and commodities; and

WHEREAS, the Town convened an external selection committee for the purpose of reviewing and scoring the proposals received in response to this solicitation; and

WHEREAS, based upon the findings of the external selection committee the Town Manager recommends the award of the contract to Marcum LLP for the provision of external auditing services to the Town of Lake Park.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COMMISSION OF THE TOWN OF LAKE PARK, FLORIDA AS FOLLOWS:

Section 1. The whereas clauses are true and correct and are incorporated herein.

Section 2. The Town Commission hereby authorizes and directs the Mayor to execute the engagement letter with Marcum LLP for the provision of external auditing services to the Town of Lake Park.

Section 3. This Resolution shall become effective immediately upon execution.

The foregoing Resolution was offered by Commissioner Taylor, who moved its adoption. The motion was seconded by Commissioner Thomas and upon being put to a roll call vote, the vote was as follows:

	AYE	NAY
MAYOR ROGER D. MICHAUD	<u>/</u>	<u>—</u>
VICE-MAYOR KIMBERLY GLAS-CASTRO	<u>Absent</u>	<u>—</u>
COMMISSIONER <u>Michael Hensley</u>	<u>/</u>	<u>—</u>
COMMISSIONER MARY BETH TAYLOR	<u>/</u>	<u>—</u>
COMMISSIONER JUDITH E. THOMAS	<u>/</u>	<u>—</u>

The Town Commission thereupon declared the foregoing Resolution 17-04-24 duly passed and adopted this 3 day of April, 2024.

TOWN OF LAKE PARK, FLORIDA

BY: [Signature]
ROGER D. MICHAUD
MAYOR

ATTEST:

[Signature]
VIVIAN MENDEZ
TOWN CLERK



Approved as to form and legal sufficiency:

BY: [Signature]
THOMAS J. BAIRD
TOWN ATTORNEY



March 25, 2024

To the Honorable Mayor, and Members of the Town Commission
Town of Lake Park, Florida
Attn: John O. D'Agostino, Town Manager
535 Park Avenue
Lake Park, FL 33403

You have requested that we audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Lake Park, Florida (the "Town", "Client", "you" or "your"), as of September 30, 2023, and for the year 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. We are pleased to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services Marcum LLP ("Marcum," the "Firm," "we," "us" or "our") will provide for the years ended September 30, 2023 through September 30, 2025. As noted in RFP No. 104-2024, this contract includes the option to extend for two (2) additional one year periods (September 30, 2026 and 2027).

In addition, we will audit the Town's compliance over major federal award programs and state projects, as applicable, for the fiscal year ended September 30, 2023 through September 30, 2025 if audit reporting thresholds are met. 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 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. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements. 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* 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.

Accounting principles generally accepted in the United States of America, (U.S. GAAP,) as promulgated by the Governmental Accounting Standards Board (GASB) require that management's discussion and analysis (MD&A) and the required supplementary information listed below, be presented to supplement the 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 required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America. 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 accounting principles generally accepted in the United States of America. This RSI will be subjected to certain limited procedures but will not be audited:

- Management's Discussion and Analysis
- Budgetary Comparison Schedules
- Notes to Budgetary Comparison Schedules
- Schedule of Changes in Net Pension Liability and Related Ratios
- Schedule of Contributions and Investment Returns
- Notes to the Schedule of Contributions
- Schedule of Changes in Total OPEB Liability and Related Ratios

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 certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on the following supplementary information in relation to the financial statements as a whole:

- Combining and Individual Fund Financial Statements and Schedules
- Schedule of Expenditures of Federal Awards and State Financial Assistance (the "SEFA")

Schedule of Expenditures of Federal Awards and State Financial Assistance (the "SEFA")

We will subject the SEFA to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the schedule to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on whether

the SEFA is presented fairly in all material respects in relation to the financial statements as a whole.

Also, the document we submit to you will include the following other additional information that will not be subjected to the auditing procedures applied in our audit of the financial statements. Management of the Town is responsible for the other information included in the basic financial statements. Our opinions on the basic financial statements do not cover the other information listed below, and we do not express an opinion or any form of assurance thereon:

- Introductory Section
- Statistical Section

Audit of the Financial Statements

We will conduct our audits in accordance GAAS, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the Florida Single Audit Act and Chapter 10.550, Rules of the Auditor General (Chapter 10.550). As part of an audit of financial statements in accordance with GAAS and in accordance with *Government Auditing Standards*, the Florida Single Audit Act and Chapter 10.550, 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 client'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 or noncompliance may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards* of the Comptroller General of the United States of America and in accordance with the Florida Single Audit Act and Chapter 10.550. 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.

The objectives of our compliance audit is to obtain sufficient appropriate audit evidence to form an opinion and report at the level specified in the governmental audit requirement about whether the entity 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.

Audit of Major Program Compliance

Our audit of the Town's major federal award programs and state projects compliance will be conducted in accordance with the requirements of the Florida Single Audit Act, as amended; and the Uniform Guidance, and will include tests of accounting records, a determination of major

programs in accordance with the Uniform Guidance, Florida Single Audit Act and other procedures we consider necessary to enable us to express such an opinion on major federal award program and 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, Florida Single Audit Act and Chapter 10.550 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 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*, the Uniform Guidance, the Florida Single Audit Act and Chapter 10.550, 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 entity's compliance with the requirements of the federal award programs and state projects as a whole.

As part of a compliance audit in accordance with GAAS and in accordance with *Government Auditing Standards*, and in accordance with the Florida Single Audit Act and Chapter 10.550, 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.

Our procedures will consist of determining major federal award programs and state projects and, performing the applicable procedures described in the U.S. Office of Management and Budget *OMB Compliance Supplement* and the Florida Single Audit Act for the types of compliance requirements that could have a direct and material effect on each of the Town's major programs and state projects, 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 and state projects in our report on compliance issued pursuant to the Uniform Guidance and Florida Single Audit Act.

Also, as required by the Uniform Guidance and Florida Single Audit Act, 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 and state projects. 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.

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 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.

Significant Risks

AU-C Section 260, prescribed by the American Institute of Certified Public Accountants, is a comprehensive guide for the auditor's communication with those charged with governance. AU-C Section 260 points out that communicating significant risks, including fraud risks, helps those charged with governance understand those matters and better allows them to perform their oversight duties with regard to the financial reporting process. We have identified the following significant risks of material misstatement as part of our audit planning, and are available to discuss these with you during the course of our audit:

- Management override of internal controls.
- Improper revenue recognition.

Management's Responsibilities

Our audit 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 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 award programs and state projects received and expended during the period and the federal award programs and state projects under which they were received;
4. For maintaining records that adequately identify the source and application of funds for federally funded and state funded activities;
5. For preparing the SEFA (including notes and noncash assistance received) in accordance with the Uniform Guidance and Florida Single Audit Act;
6. For designing, implementing, and maintaining effective internal control over federal award programs and state projects that provides reasonable assurance that the entity is managing federal award programs and state projects in compliance with federal and state statutes, regulations, and the terms and conditions of the federal award programs and state projects;

7. For identifying and ensuring that the entity complies with federal and state laws, statutes, regulations, rules, provisions of contracts or grant agreements, and the terms and conditions of federal awards programs and state projects, and implementing systems designed to achieve compliance with applicable federal and state statutes, regulations, and the terms and conditions of federal award programs and state projects;
8. For disclosing accurately, currently, and completely the financial results of each federal award program and state project in accordance with the requirements of the award;
9. 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;
10. For taking prompt action when instances of noncompliance are identified;
11. 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;
12. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;
13. For submitting the reporting package and data collection form to the appropriate parties;
14. For making the auditor aware of any significant contractor relationships where the contractor is responsible for program compliance;
15. 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 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 and others from whom we determine it necessary to obtain audit evidence;
16. 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 under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;
17. For acceptance of non-attest services, including identifying the proper party to oversee non-attest work;
18. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
19. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in internal control and others where fraud could have a material effect on compliance;
20. For the accuracy and completeness of all information provided;
21. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information; and

22. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.

With regard to the SEFA, you acknowledge and understand your responsibility (a) for the preparation of the SEFA in accordance with the Uniform Guidance and Florida Single Audit Act, (b) to provide us with the appropriate written representations regarding the SEFA, (c) to include our report on the SEFA in any document that contains the SEFA and that indicates that we have reported on such schedule, and (d) to present the SEFA with the audited financial statements, or if the schedule will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the SEFA no later than the date of issuance by you of the schedule and our report thereon.

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

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

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. If you are missing any documents or workpapers from our prior years' engagements (if applicable), it is your responsibility to inform us. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

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.

Data Collection Form

Prior to the completion of our engagement, we will complete the sections of the Data Collection Form that are our responsibility. 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.

Per federal requirements, the Data Collection Form 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.

Communication with Those Charged with Governance

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;
- 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.

Auditors' Report and Reproduction

We will issue a written report upon completion of our audit of the Town's financial statements. Our report will be addressed to those charged with governance. 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 opinion, add an emphasis-of-matter or other-matter paragraph(s) to our auditors' report. If for any reason, we are unable to complete the audit or we are unable to form or have not formed an opinion, we may decline to express an opinion or decline to issue a report as a result of the engagement. If, in our professional judgment, the circumstances require us to do so, we may resign from the engagement prior to completion.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing of 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 will not be an objective of the audit and, therefore, no such opinion will be expressed.

We will also issue a report on compliance that will include an opinion or disclaimer of opinion regarding the Town's major federal award programs and 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.

Except to the extent prohibited by law, if you intend to publish or otherwise reproduce the financial statements and/or make reference to our Firm, you agree that the Town's management will provide us with a draft for our review and approval before disclosure, inclusion or incorporation by reference of any of our reports or the reference to Marcum before such document or information is published, printed or distributed. You also agree to provide us with the final reproduced material for our approval before it is distributed. In addition, to avoid unnecessary delay or misunderstanding, you agree to provide us timely notice of your intention to issue any such document. Notwithstanding the foregoing, you may distribute the financial statements "as is," without our written consent; provided such financial statements are not inserted in any other document or are not altered or revised in any manner, including without limitation, the alteration, addition or removal of data or information to or from such financial statements.

With regard to the electronic dissemination of the Town's financial statements, including financial statements published electronically on the Town's website, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document. However, you agree that, except to the extent prohibited by law, you will notify Marcum and obtain our approval prior to including any of our reports on any electronic site.

Assistance By Your Personnel

We will ask that your personnel, to the extent possible, prepare required schedules and analyses, and make selected invoices and other required documents available to our staff. This assistance by your personnel will serve to facilitate the progress of our work and minimize our time requirements.

You agree to inform us as soon as possible, but no later than the effective date of change, of any changes to individuals in directors, officers and financial reporting oversight roles. Note that in order to ensure Marcum maintains independence with respect any new individuals associated with the Town, you should provide information of the upcoming change as early as possible in the process.

You acknowledge that the Town's confidential information may be transmitted to us through an information portal or delivery system established by us or on our behalf. You shall notify us in writing of your employees, representatives, or other agents to be provided access to such portal or system; upon the termination of such status, you shall immediately notify us in writing.

Background Checks

As a matter of our Firm policy, we may perform background checks on potential clients and/or on existing clients, on an as-determined basis. The terms and conditions of this engagement are expressly contingent upon the satisfactory completion of our investigatory procedures and we reserve the right to withdraw from any relationship should information which we deem to be adverse come to our attention. The results of all background checks and other investigatory procedures are submitted to, and reviewed by, our firm's Client Acceptance Committee.

Predecessor Auditor

Before formally accepting this engagement, we are required by auditing standards generally accepted in the United States of America to make certain communications with your predecessor auditor. Soon after our appointment as your new auditors, we will request your permission to contact your predecessor auditor, and they will require your authorization to respond fully to our inquiries and to provide us with copies of certain of their working papers. Our continued acceptance of this engagement is subject to the results of such communication. We will notify you immediately if we become aware of anything from your predecessor auditor that results in our not being able to continue this engagement and resulting in us terminating and resigning from this engagement.

Independence

Professional standards require that a firm and its members maintain independence throughout the duration of the professional relationship with a client. Marcum will periodically reevaluate the Firm's independence as part of our customary client continuance process or more frequently, should circumstances arise that may require us to investigate whether Marcum's independence may have been impaired in which case Marcum may terminate and resign from this engagement in our sole and absolute discretion. You agree to promptly advise us of any matters or changes in circumstances that could affect our independence or give rise to conflicts including, changes in senior management or the Elected Body, or entities that may have preexisting relationships with Marcum or conflicts that could affect our independence.

Also, in order to preserve the integrity of our relationship, no offer of employment shall be discussed with any Marcum professionals assigned to the audit, including within the one-year period prior to the commencement of the year-end audit, and through the date of issuance of our audit report. Pursuant to professional standards, should such an offer of employment be made, or employment commences during the indicated time period, we will consider this an indication that our independence has been compromised. As such, we may be required to recall our auditors' report due to our lack of independence. In the event additional work is required to satisfy independence requirements, such work will be billed at our standard hourly rates.

Access to Working Papers; Confidentiality

The working papers prepared in conjunction with our engagement are the property of Marcum LLP and constitute confidential information. These working papers will be retained by us in accordance with applicable laws and with our firm's policies and procedures. However, we may be required, by law or regulation, to make certain working papers available to regulatory authorities for their review, and upon request, we may be required to provide such authorities with photocopies of selected working papers.

Marcum is periodically required to undergo inspection processes in accordance with legal, regulatory, professional and/or administrative bodies or authorities. During the course of these processes, selected working papers and financial reports, on a sample basis, will be inspected by an outside party on a confidential basis. Consequently, the accounting work we performed for you may be selected. Your signature below represents your acknowledgement and permission to allow such access should your engagement be selected for review. The Town acknowledges and agrees that Marcum may disclose confidential information as permitted herein, as requested or directed by you or consistent with applicable law, rule, regulation, professional standards or guidelines or in connection with or to respond to its professional obligations. You authorize Marcum to participate in discussions with and to disclose your information to your agents, representatives, administrators or professional advisors (including accountants, attorneys, financial and other professional advisors), their respective officers, directors or employees, and other parties as you may direct.

Notwithstanding any other provision of this agreement, Marcum and the Marcum subcontractors (defined below) may use confidential information received hereunder, to develop, enhance, modify and improve technologies, tools, methodologies, services and offerings, and/or for development or performance of data analysis or other insight generation. Information developed in connection with these purposes may be used or disclosed to you or current or prospective clients to provide them services or offerings. Marcum and the Marcum subcontractors will not use or disclose confidential information in a way that would permit you to be identified by third parties without your consent. The foregoing consents are valid until further notice by you.

As a result of our prior or future services to you, we may be required or requested to provide information or documents to you or a third-party in connection with a legal or administrative proceeding (including a grand jury investigation) in which we are not a party. If this occurs, we shall be entitled to compensation for our time and reimbursement for our reasonable out-of-pocket expenditures (including legal fees) in complying with such request or demand. This is not intended, however, to relieve us of our duty to observe the confidentiality requirements of our profession.

Nothing in this letter is intended to limit your rights and obligations pursuant to the Florida "Sunshine Law", Florida Statute 286.011.

The audit documentation and working papers prepared in conjunction with our engagement are the property of Marcum and constitute confidential information. These working papers will be retained by us in accordance with applicable laws and with our Firm's policies and procedures. However, we may be required, by law or regulation, to make certain working papers available to regulatory authorities, federal agencies and/or the U.S. Government Accountability Office, for their review, and upon request, we may be required to provide such authorities with photocopies of selected working papers. If requested, access to such audit documentation will be provided under the supervision of Marcum's personnel. The regulators and agencies may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies. We agree to retain our audit documentation or work papers for a period of at least seven (7) years from the date of our report.

Regarding the application of Chapter 119 (Public Records), Florida Statutes, the Custodian of public records for this contract is:

Vivian Mendez, MMC, Town Clerk
Town of Lake Park
535 Park Avenue
Lake Park, FL 33403
townclerk@lakeparkflorida.gov
561-881-3311

Third-Party Service Providers

Marcum may use or subcontract the services to its affiliates, subsidiaries, Marcum related parties and/or third parties, including contractors, subcontractors and cloud-based service providers, in each case within or outside of the United States (each, a "subcontractor") in connection with the provision of services and/or for internal, administrative and/or regulatory compliance purposes. You agree that Marcum may provide confidential and other information Marcum receives in connection with this agreement to subcontractors for such purposes. Marcum maintains internal policies, procedures and safeguards to protect the confidentiality of your information and Marcum will remain responsible to you for the protection of such information and services performed by such subcontractors as provided herein.

Termination

Marcum's engagement ends on the earlier of termination or resignation (including without limitation, our declining to issue a report or other work product) or Marcum's delivery of its report. We acknowledge your right to terminate our services at any time, and you acknowledge our right to terminate our services and this agreement and resign at any time in our sole and absolute discretion, subject in either case to our right to payment for all direct and indirect charges including out-of-pocket expenses incurred through the date of termination or resignation or thereafter as circumstances and this agreement may require, plus applicable interest, costs, fees and attorneys' fees. All terms which by their nature are reasonably intended to survive will survive termination, resignation or expiration.

Dispute Resolution Procedure, Waiver of Jury Trial and Jurisdiction and Venue for Any and All Disputes Under This Engagement Letter and Governing Law

AS A MATERIAL INDUCEMENT FOR US TO ACCEPT THIS ENGAGEMENT AND/OR RENDER THE SERVICES TO THE TOWN OF LAKE PARK, FLORIDA IN ACCORDANCE WITH THE PROVISIONS OF THIS ENGAGEMENT LETTER:

The Firm and the Town each hereby knowingly, voluntarily and intentionally waive any right either may have to a trial by jury with respect to any litigation based hereon, or arising out of, under or in connection with this engagement letter and/or the services provided hereunder, or any course of conduct, course of dealing, statements (whether verbal or written) or actions of either party.

The Firm and the Town each expressly agree and acknowledge that the Fifteenth Judicial Circuit, in and for Palm Beach County, Florida and the United States District Court for the Southern District of Florida, shall each have exclusive and sole jurisdiction and venue for any respective state or federal actions arising from, relating to or in connection with this engagement letter, or any course of conduct, course of dealing, statement or actions of either party after the date of this engagement letter.

The terms and provisions of this engagement letter, any course of conduct, course of dealing and/or action of the Firm and/or the Town and our relationship with you shall be governed by the laws of the State of Florida to the extent said laws are not inconsistent with the Federal Securities Laws and Rules, Regulations and Standards thereunder.

In any litigation brought by either the Firm or the Town, the prevailing party shall be entitled to an award of its reasonable attorneys' fees and costs incurred, including through all appeals.

Limitation of Liability

You agree that our liability arising from or relating to our services shall not exceed the total amount paid by you for the services described herein. This shall be your exclusive remedy.

No action, regardless of form, arising out of the services under this agreement may be brought by you more than one year after the date the last services are provided under this agreement.

Subject to the limits set forth in section 768.28, Florida Statutes, the Town hereby indemnifies Marcum and its partners, principals, and employees, and holds them harmless from all claims, liabilities, losses and costs arising in circumstances where there has been a known misrepresentation by a member of the Town's management,

regardless of whether such person was acting in the Town's interest. This indemnification will survive completion or termination of this agreement.

Non-Attest Services

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 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.

We are prohibited by professional standards from preparing source documents and authorizing or approving transactions. Accordingly, management must determine and approve all transactions including appropriate account classifications. As part of our engagement, we may propose standard, adjusting or correcting journal entries to the financial statements. You are responsible for reviewing the entries and understanding the nature of any proposed entries and the impact they have on the financial statements.

The services cannot be relied on to detect errors, fraud or illegal acts that may exist. However, we will inform you of any material errors, fraud or illegal acts that come to our attention, unless they are clearly inconsequential. In addition, we have no responsibility to identify and communicate significant deficiencies or material weaknesses in the Town's internal control as part of a non-attest/non-audit service engagement.

We will perform the following services that are considered non-attest services:

- Assistance with the preparation of the financial statement (Town and stand-alone CRA).

Our responsibilities and limitations of the non-attest services are as follows:

- We will perform the services in accordance with applicable professional standards.
- The non-attest services are 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.
- These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*.

Other Services

We are always available to meet with you and/or other executives at various times throughout the year to discuss current business, operational, accounting and auditing matters affecting the Town. Whenever you feel such meetings are desirable, please let us know; we are prepared to provide services to assist you in any of these areas. We will also be pleased, at your request, to attend the meetings of the Town's Commission.

During the course of this engagement, Marcum may offer certain value-added resources to the Town, including without limitation, local and national educational webinars and events, subscription to Marcum thought leadership publications such as industry and insights newsletters, industry surveys and trend analysis, and academic reports into the prevailing economic outlook. The use, receipt of, and payment for (where applicable) these resources will be subject to the mutual agreement of Marcum and the Town. Town confirms that the use and receipt of these resources, as applicable, is approved by the Town management, or those charged with governance.

You acknowledge that you are responsible for the actions of your current and former employees, representatives, or other agents in connection with the transmission of your information. During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you understand that communication in those mediums involves a risk of misdirected or intercepted communications.

Marcum shall be obligated only for the services or work specified in this agreement. Any other services that may be required or requested by the Town will be agreed upon by the parties in a separate, new specific engagement letter for such service or work.

As required by Chapter 163, Section 163.387(8), Florida Statutes, the Town of Lake Park Community Redevelopment Agency (a component unity of the Town of Lake Park, Florida) is to produce stand-alone financial statements. In accordance with Florida Auditor General Rule 10.557(3), we will provide the required auditors' reports to be included in the CRA stand-alone financial statements. The CRA audit will be performed in accordance with auditing standards generally accepted in the United States of America (GAAS) and in accordance with *Government Auditing Standards*.

We will perform, in accordance with Chapter 10.550, Rules of the Auditor General of the State of Florida, an examination pursuant to AICPA *Professional Standards*, promulgated by the American Institute of Certified Public Accountants regarding the compliance of the Towns with 218.415, Florida Statutes, Local Government Investment Policies. There is no additional cost for this service.

Timeline

We expect to begin our audit on approximately April 2024 and to complete and issue our report no later than June 2024, subject to the terms of this letter (including any Appendix) and professional standards.

Fees

Our fees will be based on the services to be provided hereunder, the timeliness and completeness of the information and documentation provided to us, firm technology, firm processes, and time required of personnel at our standard hourly rates. Our standard hourly rates vary according to the level of the personnel assigned to your audit. Further, consistent with our response to the RFP No. 104-2024, our fees are delineated in Appendix B of this letter.

Our invoices for these fees will be rendered as the work progresses, and are due and payable upon presentation. In the event that you dispute any of the fees or expenses on a specific invoice, you agree to notify us within twenty (20) days of receipt of the invoice of such dispute. If you fail to notify us within the twenty (20) day period, your right to dispute such invoice will be waived. Prior to the commencement of the services described above, any past due balances are required to be paid in full. In accordance with our Firm policies, should any invoice remain unpaid for more than thirty (30) days, we reserve the right to defer providing any additional services until all outstanding invoices are paid in full. Invoice amounts due past sixty (60) days will incur a finance charge of 1% per month. Nothing herein shall be construed as extending the due date of payments required under this agreement, and you agree that we are not responsible for the impact on the Town of any delay that results from such non-payment by you.

Agreement

This letter comprises the complete and exclusive statement of the agreement between the parties, superseding all proposals oral or written and all other communications between the parties. If it is determined that any provision of this letter is unenforceable, all other provisions shall remain in full force and effect. This letter comprises the complete and exclusive statement of the agreement between the parties, superseding all proposals oral or written and all other communications between the parties. The Town may not assign or transfer this agreement, or any rights, licenses, obligations, claims or proceeds from claims arising out of or in any way relating to this agreement, any services provided hereunder, or any fees for services to anyone, by operation of law or otherwise without Marcum's prior written consent and any assignment without consent shall be void and invalid. Marcum may assign this agreement, including all the rights and benefits hereunder, to any affiliate or acquirer of or successor to its business, or purchaser of all or substantially all of its assets, stock or interests or in the event of a reorganization or restructuring, and by your signature hereto, you consent to such assignment and the transfer of the Town's files and information.

Town of Lake Park, Florida
March 25, 2024
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It is hereby understood and agreed that this engagement is being undertaken solely for the benefit of the Town and that no other person or entity shall be authorized to enforce the terms of this engagement. The undersigned represents and warrants that it has the requisite authority and consents to enter into and perform this Agreement and the obligations herein for and on behalf of the Town.

By executing this Agreement, you confirm, represent and warrant that (i) no person who is the target of sanctions imposed by the United States, European Union, or United Kingdom owns, directly or indirectly, 5% or more of any type of stock or other ownership interest of the Company and (ii) the Company is not, and does not have subsidiaries that are, located or organized under the laws of Russia, and Marcum's Services are not performed for the benefit or use of or reliance on by any of the foregoing.

If you agree with the terms of our engagement, as described in this letter, please sign this PDF version of the engagement letter and return it to us by email and we will send you a fully executed copy.

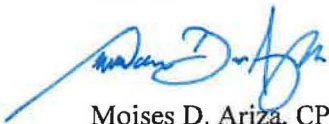
Our acceptance of this engagement and return of a fully executed engagement letter is subject to the review and approval of our Firm's Client Acceptance Committee. If our Client Acceptance Committee decides not to accept this engagement for any reason, then we will inform you immediately in writing.

Moises D. Ariza, CPA, CGMA is the Engagement Partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

In accordance with the requirements of *Government Auditing Standards*, our latest external peer review report of our Firm is available upon request.

Very truly yours,

Marcum LLP



Moises D. Ariza, CPA, CGMA

Town of Lake Park, Florida
March 25, 2024
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ACCEPTED

This letter correctly sets forth the agreement of Town of Lake Park, Florida.

Authorized signature: _____



Name: _____

Roger Michaud

Title: _____

Mayor

Date signed: _____

4/3/24

APPENDIX A

Town of Lake Park, Florida

Circumstances Affecting Timing and Fee Estimate

The estimated fee is based on certain assumptions. Circumstances may arise during the engagement that may significantly affect the targeted completion dates and our fee estimate. As a result, additional fees may be necessary. Such circumstances include but are not limited to the following:

1. Changes to the timing of the engagement at your request. Changes to the timing of the engagement usually require reassignment of personnel used by Marcum in the performance of services hereunder. However, because it is often difficult to reassign individuals to other engagements, Marcum may incur significant unanticipated costs.
2. All requested schedules are not (a) provided by the accounting personnel on the date requested, (b) completed in a format acceptable to Marcum (c) mathematically correct, or (d) in agreement with the appropriate underlying records (e.g., general ledger accounts). Marcum will provide the accounting personnel with a separate listing of required schedules and deadlines.
3. Weaknesses in the internal control structure.
4. Significant new issues or unforeseen circumstances as follows:
 - a. New accounting issues that require an unusual amount of time to resolve.
 - b. Changes or transactions that occur prior to the issuance of our report.
 - c. Changes in the Town's accounting personnel, their responsibilities, or their availability.
 - d. Changes in auditing requirements set by regulators.
5. Significant delays in the accounting personnel's assistance in the engagement or delays by them in reconciling variances as requested by Marcum. All invoices, contracts and other documents which we will identify for the Town, are not located by the accounting personnel or made ready for our easy access.
6. A significant level of proposed audit adjustments are identified during our audit.
7. Changes in audit scope caused by events that are beyond our control.
8. Untimely payment of our invoices as they are rendered.
9. Major Program/projects in excess of one (1) as required by the Federal or State Single Audit Act.

APPENDIX B – FEES

Annual Audit Fee and Hourly Rates

<i>Fiscal Year</i>	<i>Town Audit Fee</i>	<i>CRA Audit Fee</i>	<i>Federal Single Audit *</i>	<i>State Single Audit *</i>
2023	\$47,750	\$7,500	\$4,000	\$0
2024	\$48,750	\$8,500	\$4,250	\$0
2025	\$49,750	\$9,500	\$4,500	\$0

(*) Only if applicable.

<i>Team Member</i>	<i>Hourly Rates</i>
Partner/Director	\$375
Senior Manager	\$275
Manager	\$245
Supervisor/Senior	\$195
Staff	\$150