January 8, 2014

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

We are pleased to confirm our understanding of the services we are to provide Islamorada, Village of Islands, Florida (the “Village”) for the year ended September 30, 2013. We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of the Village as of and for the year ended September 30, 2013. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management’s discussion and analysis (MD&A), to supplement the Village’s basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Village’s RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management’s Discussion and Analysis.
2. Budgetary Comparison Schedules–General Fund and Major Special Revenue Funds.

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

Audit Objectives

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

- Internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with Government Auditing Standards.
- Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and/or the Florida Single Audit.

The reports on internal control and compliance will each include a paragraph that states that the purpose of the report is solely to describe: (1) the scope of testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance, (2) the scope of testing internal control over compliance for major programs and major program compliance and the results of that testing and to provide an opinion on compliance but not to provide an opinion on the effectiveness of internal control over compliance, and (3) that the report is an integral part of an audit performed in accordance with Government Auditing Standards in considering internal control over financial reporting and compliance and OMB Circular A-133 and/or the Florida Single Audit Act in considering internal control over compliance and major program compliance. The final paragraph will also state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of OMB Circular A-133; and the Florida Single Audit Act and the provisions of the Department of Financial Services’ State Projects Compliance Supplement, and will include tests of accounting records, a determination of major program(s), and other procedures we consider necessary to enable us to express such opinions and to render the required reports. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements or the Single Audit compliance opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.
Management Responsibilities

Management is responsible for the basic financial statements, Schedule of Expenditures of Federal Awards and/or State Projects, and all accompanying information as well as all representations contained therein. Management is also responsible for identifying government award programs and understanding and complying with the compliance requirements, and for the preparation of the Schedule of Expenditures of Federal Awards and/or State Projects in accordance with the requirements of OMB Circular A-133 and the Florida Single Audit Act. As part of the audit, we will assist with preparation of your financial statements, Schedule of Expenditures of Federal Awards and/or State Projects and related notes. You will be required to acknowledge in the written representation letter our assistance with these matters and that you have reviewed and approved the financial statements, Schedule of Expenditures of Federal Awards and/or State Projects and related notes prior to their issuance and have accepted responsibility for them. You agree to assume all management responsibilities for any nonaudit services we provide; oversee the services by designating an individual, preferably from senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including internal controls over compliance, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met and that there is reasonable assurance that government programs are administered in compliance with compliance requirements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for ensuring that management is reliable and financial information is reliable and properly recorded. You are also responsible for providing us with: (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities also include identifying significant vendor relationships in which the vendor has responsibility for program compliance and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving: (1) management, (2) employees who have significant roles in internal control and, (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or
others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants. Additionally, as required by OMB Circular A-133 and the Florida Single Audit Act, it is management’s responsibility to follow up and take corrective action on reported audit findings and to prepare a Summary Schedule of Prior Audit Findings and a corrective action plan. The Summary Schedule of Prior Audit Findings should be available for our review subsequent to the start of fieldwork.

You are responsible for preparation of the Schedule of Expenditures of Federal Awards and/or State Projects in conformity with OMB Circular A-133 and the Florida Single Audit Act. You agree to include our report on the Schedule of Expenditures of Federal Awards and/or State Projects in any document that contains and indicates that we have reported on the Schedule of Expenditures of Federal Awards and/or State Projects. You also agree to include the audited financial statements with any presentation of the Schedule of Expenditures of Federal Awards and/or State Projects that include our report thereon. Your responsibilities include acknowledging to us in the written representation letter that: (1) you are responsible for presentation of the Schedule of Expenditures of Federal Awards and/or State Projects in accordance with OMB Circular A-133 and the Florida Single Audit Act; (2) that you believe the Schedule of Expenditures of Federal Awards and/or State Projects, including its form and content, is fairly presented in accordance with OMB Circular A-133 and the Florida Single Audit Act; (3) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the Schedule of Expenditures of Federal Awards and/or State Projects.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles (GAAP). You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that: (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) that you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management’s views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.
Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from: (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the 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 of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and Government Auditing Standards. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as the auditor is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Control

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 than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to Government Auditing Standards.

As required by OMB Circular A-133 and the Florida Single Audit Act, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major Federal award program and State project. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to OMB Circular A-133 and the Florida Single Audit Act.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, Government Auditing Standards, OMB Circular A-133, and the Florida Single Audit Act.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Village’s compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to Government Auditing Standards.

OMB Circular A-133 and the Florida Single Audit Act require that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the OMB Circular A-133 Compliance Supplement and Department of Financial Services’ State Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of the Village’s major programs. The purpose of these procedures will be to express an opinion on the Village’s compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to OMB Circular A-133 and the Florida Single Audit Act, as applicable.

Engagement 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.

At the conclusion of the engagement, we will complete the appropriate sections of the Data
Collection Form that summarizes our audit findings, if applicable. It is management’s responsibility
to submit the reporting package (including financial statements, Schedule of Expenditures of Federal
Awards, Summary Schedule of Prior Audit Findings, auditors’ reports, and corrective action plan)
along with the Data Collection Form to the Federal Audit Clearinghouse. We will coordinate with
you the electronic submission and certification. If applicable, we will provide copies of our report for
you to include with the reporting package you will submit to pass-through entities. The Data
Collection Form and the reporting package must be submitted within the earlier of 30 days after
receipt of the auditors’ reports or nine months after the end of the audit period, unless a longer period
is agreed to in advance by the cognizant or oversight agency for audits.

The audit documentation for this engagement is the property of Mauldin & Jenkins and constitutes
confidential information. However, pursuant to authority given by law or regulation, we may be
requested to make certain audit documentation available to a cognizant or oversight agency or its
designee, a Federal agency providing direct or indirect funding, or the U.S. Government
Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to
carry out oversight responsibilities. We will notify you of any such request. If requested, access to
such audit documentation will be provided under the supervision of Mauldin & Jenkins personnel.
Furthermore, upon request, we may provide copies of selected audit documentation to the
forementioned parties. These parties may intend, or decide, to distribute the copies or information
contained therein to others, including other governmental agencies.

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

We expect to begin our audit on February 24, 2014. Leanne T. Cross, CPA, is the engagement
partner and is responsible for supervising the engagement and signing the reports or authorizing
another individual to sign them. Our fee for these services will be at our standard hourly rates plus
out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone,
etc.). The fee will be $44,000 for the financial and compliance audit assuming one major program for
the Single Audit, and each additional major program for the Single Audit will be $3,500. 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 policies, work may be
suspended if your account becomes 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(s). 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 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.

We appreciate the opportunity to be of service to Islamorada, Village of Islands, Florida, and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed letters and return one to us.

Sincerely,

MAULDIN & JENKINS, LLC

Leanne T. Cross, CPA

Enclosures

RESPONSE:

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

Management signature: __________________________

Title: __________________________

Date: __________________________

Governance signature: __________________________

Title: __________________________

Date: __________________________
Audit Engagement Agreement – Attachment A (“Supplemental Standards”)

1. **Insurance Requirements**

   1.1 The Auditor shall maintain at its sole cost and expense at all times; professional liability insurance, comprehensive general liability insurance and automotive liability insurance with minimum policy limits for each coverage in the amount of One Million Dollars ($1,000,000.00) per occurrence, single limit for property damage and bodily injury, including death.

   1.2 The Auditor shall also maintain worker’s compensation insurance at the statutory minimums required by Chapter 440, Florida Statutes.

   1.3 The Auditor shall provide a certificate of insurance complying with the requirements specified above and the Village shall be named as an additional insured on each of the above policies, unless prohibited by law or insurance company standard practices.

2. **Additional Consulting Services**

   2.1 In addition to the regular audit requirements, the Village may request that the Auditor provide consulting services for audit related matters outside the scope of the annual audit. The Auditor and the Village will separately negotiate a fee for each instance that consulting services are requested.


   3.1 All original records, books, documents, papers and financial information that the Village provides the Auditor as part of this Engagement shall remain the property of the Village.

   3.2 All working papers and reports must be retained, at Mauldin & Jenkins, LLC’s (“Auditor’s”) expense, for a minimum of five (5) years from the report delivery date, unless the firm is notified in writing by the Village of the need to extend the retention period for regulatory or legal purposes. Auditors will be required to make working papers available upon reasonable request by the Village Manager or Finance Director.

   3.3 The Auditor shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance in accordance with the Professional Standards of the American Institute of Certified Public Accountants (the “AICPA”) at the successor auditor’s expense.
3.4 In the performance of the services specified in this Engagement, the Auditor shall comply with the Florida Public Records Act, Chapter 119, Florida Statutes, as applicable. The Village may terminate this Engagement for refusal by Auditor to allow reasonable access by the Village Manager to any records pertaining to services performed under this Engagement that are subject to the provisions of Chapter 119, Florida Statutes.

3.5 Notwithstanding the retention period specified in Section 4.2, the Auditor shall maintain all books, documents, papers and financial information pertaining to work performed under this Engagement for the time periods specified in the State of Florida Record Retention laws.

4. **Indemnification**

4.1 Neither the Village’s review of, approval of, acceptance of, nor payment for any services required under this agreement shall be construed to operate as a waiver of any rights under this agreement or any cause of action arising out of the performance of this agreement, and the Auditor shall indemnify and hold harmless the Village and shall be and remain liable to the Village in accordance with applicable law for all damages or losses, including attorneys’ fees and costs, to the Village caused by the Auditor’s negligent acts or omissions in the performance of any of the services furnished under this agreement. Liability hereunder shall not begin until such time as the Village tenders to auditor the defense of any cause of action arising out of the performance of this agreement. Any attorney to be engaged by the Auditor shall be approved by the Village, such approval not to be unreasonably withheld.

4.2 The provisions of this section shall survive termination of this Engagement.

5. **Severability**

5.1 If any term or provision of this Engagement shall to any extent be held invalid or unenforceable, the remainder of this Engagement shall not be affected thereby, and each remaining term and provision of this Engagement shall be valid and be enforceable to the fullest extent permitted by law.

6. **Governing Law**

6.1 This Engagement shall be construed in accordance with and governed by the laws of the State of Florida. Exclusive venue for any litigation shall be in Monroe County, Florida.
7. **Notices/Authorized Representatives**

7.1 Any notices required or permitted by this Agreement shall be in writing and shall be deemed to have been properly given if transmitted by hand-delivery, by registered or certified mail with postage prepaid return receipt requested, or by private postal service, addressed to the parties at the following addresses:

For the Village:

Islamorada, Village of Islands  
Attention: Maria Aguilar, Acting Village Manager  
86800 Overseas Highway  
Islamorada, FL 33036  
Telephone: (305) 664-6410  
Facsimile: (305) 664-6464

With a copy to:

Attention: Roget V. Bryan, Esq., Village Attorney  
Islamorada, Village of Islands  
86800 Overseas Highway  
Islamorada, FL 33036  
Telephone: (305) 664-6418  
Facsimile: (305) 509-8989

For Auditor:

Mauldin & Jenkins, LLC  
Attention: Leanne T. Cross, CPA, Partner  
1301 Sixth Avenue, Suite 600  
Bradenton, Florida 34205  
Telephone: (941) 747-4483  
Facsimile: (941) 747-6035

Either party shall have the right to change its address for notice purposes by sending written notice of such change of address to the other party in accordance with the provisions hereof.

8. **Independent Contractor**

8.1 Auditor is and shall remain an independent Auditor and is not an employee or agent of the Village. Services provided by Auditor shall be by employees of Auditor working under the supervision and direction of Auditor and nothing in this Engagement shall in any way be interpreted or construed to deem said employees to be agents, employees, or
representatives of the Village. Auditor agrees that it is a separate and independent enterprise from the Village.

8.2 Auditor shall be responsible for all compensation, tax responsibilities, insurance benefits, other employee benefits, and any other status or rights of its employees during the course of their employment with Auditor. This Engagement shall not be construed as creating any joint employment relationship between Auditor and the Village, and the Village will not be liable for any obligation incurred by Auditor, including but not limited to unpaid minimum wages and/or overtime payments.

9. Assignment/Subcontractors

9.1 This Engagement shall not be assignable by Auditor without the prior approval of the Village Manager, at his/her sole discretion.

9.2 Auditor shall not subcontract any portion of the services required by this Engagement, except with the prior approval of the Village Manager.

10. Prohibition Against Contingent Fees/Conflicts

10.1 Auditor warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for Auditor, to solicit or secure this Engagement, and that it has not paid or agreed to pay any person(s), company, corporation, individual or firm, other than a bona fide employee working solely for Auditor, any fee, commission, percentage, gift, or any other consideration, contingent upon or resulting from the award or making of this Engagement.

10.2 In accordance with the Professional Standards of the AICPA, neither Auditor nor its employees shall have or hold any continuing or frequently recurring employment or contractual relationship that is substantially antagonistic or incompatible with Auditor’s loyal and conscientious exercise of judgment related to its performance under this Engagement.

10.3 Auditor agrees that none of its officers or employees shall, during this Engagement, serve as an expert witness against Village in any legal or administrative proceeding in which he or she is not a party, unless compelled by court process.

11. Warranties of Auditor

11.1 Auditor warrants and represents that at all times during this Engagement that it shall maintain in good standing with the State of Florida and other appropriate agencies all licenses and certificates of Auditor and its employees and agents required to perform services hereunder under federal and state laws.
11.2 Auditor represents that all persons delivering the services as required by this Engagement have the requisite knowledge and skills, either by training, experience, education, or a combination thereof, to adequately and competently perform the duties, obligations, and services set forth in this Engagement.

11.3 Auditor shall comply with all applicable federal and state, laws, rules and regulations in the performance of the services.

11.4 The audit firm's professional personnel have received adequate continuing professional education in accordance with the requirements of the Florida State Board of Accountancy and Government Auditing Standards.

12. Engagement

This Attachment “A” (the “Supplemental Standards”) shall be supplemental and incorporated into the terms and conditions of the Letter of Agreement dated January 8, 2014, from the Auditor to the Village. (the “Letter of Agreement”) (collectively referred to as the “Engagement”).

In the event of a conflict between the Supplemental Standards and the Letter of Agreement, the Supplemental Standards shall govern the Engagement.

The Professional Standards of the AICPA shall be incorporated into this Engagement.

13. Term/Termination

13.1 The Village may terminate this Engagement at any time with cause by providing the Auditor with thirty (30) days written notice of the same. Should the Village terminate this Engagement prior to completion of any pending annual Audit, the Auditor shall be paid for any services completed prior to the date of any such termination.

13.2 This Engagement may be renewed for four (4) additional one (1) year terms, subject to the mutual agreement between the Village and Auditor of terms and conditions for each renewal term, and Village Council approval for each renewal term.