

**CITY OF MIAMI SPRINGS**

---



*Purchasing Department  
201 Westward Drive  
Miami Springs, FL 33166-5259  
Phone: (305) 805-5035  
Fax: (305) 805-5040*

*Tammy Romero  
[romerot@miamisprings-fl.gov](mailto:romerot@miamisprings-fl.gov)  
Assistant City Manager*

**AMENDMENT 1  
FOR EXTERNAL AUDITING SERVICES-CITYWIDE**

REQUEST FOR PROPOSALS # 02-7/18

June 4, 2018

**Request for Proposals # 02-17/18, for External Auditing Services** is amended as follows:

This addendum is issued to clarify the previously issued request for proposal documents and is hereby made a part of the contract documents. All requirements of the documents not modified herein shall remain in full force and effect as originally set forth.

The following are question(s) and answer(s) from the request for proposals from the Pre-Bid conference held on **Thursday, May 31, 2018**.

1. **Question:** Will the RFP addendums be available on the City website?
1. **Answer:** Yes, the Addendum will be available on the website.
  
2. **Question:** In the RFP does it indicate who is going to be part of the selection committee?
2. **Answer:** The selection committee will consist of: Police Chief, Armando Guzman, Public Works Director, Thomas Nash and Human Resources Director/Risk Manager, Bill Collins. See attached agenda memorandum dated 4/9/2018.
  
3. **Question:** What has been the budgeted cost for the audit for the past three years?
3. **Answer:** In 2017, \$35,000 for the base audit and \$3,500 for the single audit fee; 2016, \$35,000.00 Audit fee and \$0.00 for the single audit fee; and 2015, \$34,000.00 Audit fee and \$0.00 for the single audit fee.
  
4. **Question:** What is the anticipated start date for fieldwork of the audit and desirable delivery date of the audits?
4. **Answer:** The contract starts October 1st. Auditors start the fieldwork in November. The current Auditor came in August to do pre-planning. The report is presented to Council in February.

- 5. Question:** Can you provide a copy of the last auditor's contract?  
**5. Answer:** Yes, please see attached.
- 6. Question:** Please provide the auditor's last three engagement letters.  
**6. Answer:** See attached.
- 7. Question:** Can you provide the single audit reporting packages for the last three fiscal years along with corresponding management letters, if not included in the CAFR?  
**7. Answer:** The only single audit was in 2017 and is included in the CAFR which is available on the City's website <http://www.miamisprings-fl.gov/finance/comprehensive-annual-financial-reports-cafr>
- 8. Question:** Please provide the State of Florida management letters for the last three fiscal years, if not included in the single audit reporting packages.  
**8. Answer:** This information is available in the CAFR. Refer to website link above.
- 9. Question:** How much were the audit fees for each year of the last contract period, or, at a minimum, for the last 3 years?  
**9. Answer:** Please see Question and Answer #3.
- 10. Question:** What is the budget for the FYE 2018 audit?  
**10. Answer:** The FYE 2018 audit will be performed by the Auditor awarded this contract.
- 11. Question:** Can the previous auditors bid again?  
**11. Answer:** Yes.
- 12. Question:** How long were the auditors in the field?  
**12. Answer:** One week for planning and four weeks for fieldwork
- 13. Question:** What months were the auditors in the field?  
**13. Answer:** November and January.
- 14. Question:** What were the auditor's total hours?  
**14. Answer:** For FYE 9/30/2017 – Actual hours incurred were 462 and for FYE 9/30/2016 – Actual hours incurred were 394
- 15. Question:** Does the City's contract with the predecessor auditors require their audit work papers be made available to successor auditors?  
**15. Answer:** Yes.
- 16. Question:** Does the organization expect changes in federal, state or local funding that will impact reporting requirements?  
**16. Answer:** No.
- 17. Question:** Has there been a change in finance/accounting department key personnel in the last two years?  
**17. Answer:** No.

**18. Question:** When did the auditors receive the final trial balance for FYE 2017 and 2016?

**18. Answer:** November, when the fieldwork began.

**19. Question:** How many changes to the trial balance were made by the City after the initial submission of the final trial balance and up to and during fieldwork for FYE 2017 and 2016?

**19. Answer:** For FYE 9/30/2017 - 19 Entries were recorded across all opinion units. For FYE 9/30/2016 - 2 Entries were recorded across all opinion units.

**20. Question:** How many client AJE's were presented to the auditors after initial submission of the final trial balance and up to and during fieldwork for FYE 2017 and 2016?

**20. Answer:** For FYE 9/30/2017 - 14 were recorded across all opinion units. For FYE 9/30/2016 - 2 were recorded across all opinion units.

**21. Question:** How many audit AJE's were there for FYE 2017 and 2016?

**21. Answer:** FYE 9/30/2017 - 5 were recorded across all opinion units. For FYE 9/30/2016 - none.

**22. Question:** When did auditors commence fieldwork for FYE 2017 and 2016?

**22. Answer:** For FYE 9/30/2017 - November 13, 2017. For FYE 9/30/2016 – November 28, 2016.

**23. Question:** Who, specifically, will make up the selection committee?

**23. Answer:** Please see Question and Answer #2.

**24. Question:** For the original copy of the proposal, can electronic signatures be used?

**24. Answer:** No.

**25. Question:** For the original and all other copies of the proposal, can digitally-certified signatures be used?

**25. Answer:** No.

**26. Question:** Can digitally-certified signatures be used on all forms/appendices?

**26. Answer:** No.

**EXTERNAL AUDITING SERVICES  
REQUEST FOR PROPOSAL # 02-12/13  
AWARD CONTRACT**

**THIS AGREEMENT** made and entered into this 23<sup>rd</sup> day of April, 2013, by and between the **CITY OF MIAMI SPRINGS**, a Municipal Corporation organized and existing under the Laws of the State of Florida, (hereinafter referred to as "City"), and **ALBERNI, CABALLERO & COMPANY, LLP.**, (hereinafter referred to as Contractor);

**WITNESSETH:**

**WHEREAS**, the City of Miami Springs has determined it is necessary and in the best public interest to establish a contract for **EXTERNAL AUDITING SERVICES** and,

**WHEREAS**, the City of Miami Springs has solicited **REQUEST FOR PROPOSAL # 02-12/13**; and,

**WHEREAS**, Contractor has properly submitted its **REQUEST FOR PROPOSAL # 02-12/13** for **EXTERNAL AUDITING SERVICES** as set forth in the attached Contract documents and in accordance with the terms and conditions thereof; and,

**WHEREAS**, the City administration and the City of Miami Springs City Council have determined that the **response** of Contractor to the City's **REQUEST FOR PROPOSAL # 02-12/13** is the most acceptable response meeting specifications for the certain items contained in the City's published **REQUEST FOR PROPOSAL # 02-12/13**; and,

**WHEREAS**, the City of Miami Springs City Council accepted the **response** of Contractor to provide **EXTERNAL AUDITING SERVICES** at its City council meeting of Monday, April 22<sup>nd</sup>,

2013 and directed the preparation of this **REQUEST FOR PROPOSAL # 02-12/13** Award Contract for execution by the City and Contractor;

**NOW, THEREFORE**, the parties to this Contract hereby agree as follows:

1. **RECITALS.** That the foregoing recitals are true and correct and are hereby incorporated herein by reference.

2. **CONTRACT DOCUMENTS.** That the following listed "Contract Documents" for this **REQUEST FOR PROPOSAL # 02-12/13** award are attached hereto and by this specific reference made a part hereof, to-wit:

- a) The Legal Notice of the **REQUEST FOR PROPOSAL # 02-12/13.**
- b) General Conditions and Instructions.
- c) Specifications / Scope of Work of **REQUEST FOR PROPOSAL # 02-12/13.**
- d) Response of Contractor to **REQUEST FOR PROPOSAL # 02-12/13.**

3. **BOUND BY DOCUMENTS.** That the parties mutually agree to be bound by the aforesaid "Contract Documents" in the administration and completion of this Contract.

4. **CONTRACTOR REPRESENTATIONS.** That Contractor represents and warrants to the City that the Contractor (i) possesses all qualifications, licenses and expertise required by the **REQUEST FOR PROPOSAL # 02-12/13** for the performance of the requested services; (ii) is and shall be, at all times during the term hereof, fully qualified and trained to perform the services and (iii) will perform the services in the manner described in the Contract Documents.

5. **CONTRACT SERVICES.** That this **REQUEST FOR PROPOSAL # 02-12/13**

Award Contract shall encompass the following work to be performed by the Contractor, to-wit:

**REQUEST FOR PROPOSAL # 02-12/13, EXTERNAL AUDITING SERVICES**

**\$32,000.00 for Audit fees and \$ 3,500.00 for Single Audit**

**Option Year #1: \$33,000.00 for Audit fees and \$ 3,500.00 for Single Audit**

**Option Year #2: \$34,000.00 for Audit fees and \$ 3,500.00 for Single Audit**

**Option Year #3: \$35,000.00 for Audit fees and \$ 3,500.00 for Single Audit**

6. **CONTRACTOR DUTIES.** That Contractor agrees to provide all services, materials, and equipment necessary for the timely completion of its duties and responsibilities as set forth in its proposal and all other referenced and attached "Contract Documents".

7. **OWNERSHIP OF INFORMATION AND DOCUMENTS.** That Contractor understands and agrees that any information, document, report or any other material which is given by the City to Contractor or which is otherwise obtained or prepared by Contractor, pursuant to or under the terms of this Contract, is and shall at all times remain the property of the City. Contractor agrees not to use any such information, document, report or material for any other purpose without the written consent of the City, which may be withheld or conditioned by the City in its sole discretion.

8. **PAYMENT.** That the City agrees to make all payments to the Contractor for all work performed in accordance with the terms and conditions for payment contained in the referenced and attached "Contract Documents".

9. **BUDGETARY APPROPRIATION.** That notwithstanding anything contained herein to the contrary, the parties hereto mutually acknowledge that in the event that no funds or insufficient

funds are budgeted and appropriated during any term of the contract for the payment of the obligations hereunder to the Contractor, the City's obligations under this Contract shall automatically terminate on the last day of the fiscal year in which funds were budgeted and appropriated for this Contract.

10. **AUDIT AND INSPECTION RIGHTS.**

A. That the City may, at reasonable times, and for a period of up to three (3) years following the date of final payment by the City to Contractor under this Contract, audit, or cause to be audited, those books and records of Contractor which are related to Contractor's performance under this Contract. Contractor agrees to maintain all such books and records at its principal place of business for a period of three (3) years after the final payment is made under this Contract.

B. That the City may, at all reasonable times during the term hereof, inspect Contractor's facilities and perform such tests as the City deems reasonably necessary to determine whether the goods or services required to be provided by Contractor under this Contract conform to the terms hereof. Contractor shall make available to the City all applicable facilities, at a reasonable time, and will assist with the facilitation of any tests or inspections by City representatives.

11. **SOLICITATION OF CONTRACT:** That Contractor represents and warrants to the City that Contractor has not employed or retained any person or company employed by the City to solicit or secure this Contract and that Contractor has not offered to pay, paid, or agreed to pay any person any fee, commission, percentage, brokerage fee, or gift of any kind contingent upon or in connection with the award of this Contract.

12. **PUBLIC RECORDS.** That Contractor understands that the public shall have access, at all reasonable times, to all documents and information pertinent to this Contract, subject to the provisions of Chapter 119, Florida Statutes, and agrees to allow access by the City and the public to all documents subject to disclosure under applicable law. Contractor's failure or refusal to comply with the provisions of these sections shall result in the immediate cancellation of this Contract by the City.

13. **COMPLIANCE WITH FEDERAL, STATE AND LOCAL LAWS:**

That Contractor understands that Contracts between private entities and local governments are subject to certain laws and regulations, including laws pertaining to public records, conflict of interest, and record keeping. City and Contractor agree to comply with and observe all applicable laws, codes and ordinances as they may be amended from time to time.

14. **INDEMNIFICATION.** That Contractor shall indemnify, defend and hold harmless the City and its officials, employees and agents (collectively referred to as "Indemnities") and each of them from and against all loss, costs, penalties, fines, damages, claims, expenses (including attorney's fees) or liabilities (collectively referred to as "Liabilities") by reason of any injury to or death of any person or damage to or destruction of loss of any property arising out of, resulting from or in connect with the performance or non-performance of the services contemplated by this Contract which is, in whole or in part, by any act, omission, default or negligence or the failure of the Contractor to conform to statutes, ordinances, or other regulations or requirements of any governmental authority, federal or state, in connection with the performance of this Agreement.



15. **DEFAULT.** That if Contractor fails to comply with any term or condition of this Contract or fails to perform any of its obligations hereunder, then Contractor shall be default. Upon the occurrence of a default hereunder the City, in addition to all remedies available to it by law may, as provided herein, upon written notice to Contractor, terminate this Contract whereupon all payments, advances, or other compensation paid by the City to Contractor for the period during which Contractor was in default shall be immediately returned to the City. Contractor understands and agrees that termination of this Contract under this section shall not release Contractor from any obligation accruing prior to the effective date of termination. Should Contractor be unable or unwilling to commence performance of the services within the time provided or contemplated herein, then, in addition to the foregoing, Contractor shall be liable to the City for expenses incurred as a result of the non-performance including all costs and expenses incurred by the City in the re-procurement of services, including consequential and incidental damages.

16. **RESOLUTION OF CONTRACT DISPUTES WITH CITY.** That Contractor understands and agrees that all disputes between Contractor and the City based upon an alleged violation of the terms of this Contract by the City shall be submitted to the City Manager for resolution, prior to Contractor being entitled to seek judicial relief in connection therewith. Contractor shall not be entitled to seek judicial relief unless Contractor has first received the City Manager's written decision, within a reasonable period of time after submission, which fails to resolve the matters in dispute between the parties.

17. **CITY'S TERMINATION RIGHTS.**

A. That the City shall have the right to terminate this Agreement at any time following Contractor's receipt of written notification of default and Contract termination to be effective thirty (30) days thereafter. In such event, the City shall pay to Contractor compensation for services rendered and City approved expenses incurred prior to the effective date of termination.

B. That the City shall have the right to terminate this Contract upon the occurrence of an event of default hereunder in the event that Contractor fails to cure a default within 30 days of receiving notice of the default. In such event the City shall not be obligated to pay any amounts to Contractor for any period during which the Contractor was in default and Contractor shall reimburse to the City all amounts received for any period during which Contractor was in default under this Contract.

18. **INSURANCE.** That Contractor shall, at all times during the term hereof, maintain such insurance coverage as may be required by the City. All such insurance, including renewals, shall be subject to the approval of the City for adequacy of protection and evidence of such coverage shall be furnished to the City on Certificates of Insurance indicating such insurance to be in force and effect and providing that it will not be cancelled during the performance of the services under this Contract without thirty (30) calendar days prior written notice to the City. Completed Certificates of Insurance shall be filed with the City prior to the performance of services hereunder, provided, however, that Contractor shall, at any time, upon request, file duplicate copies of the policies of such insurance with the City.

19. **NONDISCRIMINATION.** That Contractor represents and warrants to the City that Contractor does not and will no engage in discriminatory practices and that there shall be no discrimination in connection with Contractor's performance under this Contract on account of race, color, sex, religion, age, handicap, marital status or national origin. Contractor further covenants that no otherwise qualified individual shall, solely by reason of his/her race, color, sex, religion, age, handicap, marital status or national origin, be excluded from participation in, be denied services, or be subject to discrimination under any provision of this Contract.

20. **ASSIGNMENT.** That this Contract shall not be assigned by Contractor, in whole or in part, without the prior written consent of the City Manager, which may be withheld or conditioned, in the City Manager's sole and exclusive discretion.

21. **CONTRACT DURATION.** This contract will be in effect for a one (1) year period effective from date of award and the prices quoted hereunder shall be firm to the City of Miami Springs for the duration of the contract. Prior to, or upon completion, of that initial term, the City of Miami Springs shall have the option to renew this contract for an additional two (2) one (1) year periods on a year-to-year basis. The renewals are contingent upon satisfactory performance by the contractor and availability of funds. The City's renewal options of fees for each option year are as follows:

Option Year #1: \$33,000.00 for Audit fees and \$ 3,500.00 for Single Audit

Option Year #2: \$34,000.00 for Audit fees and \$ 3,500.00 for Single Audit

Option Year #3: \$35,000.00 for Audit fees and \$ 3,500.00 for Single Audit

22. **NOTICES.** All Notices or other communications required under this Contract, shall be in writing and shall be given by hand-delivery or by registered or certified U.S. Mail, return receipt requested, addressed to the other party at the address indicated herein or to such other address as a

party may designate by notice given as herein provided. Notice shall be deemed given on the day on which personally delivered, or, if by mail, on the fifth day after being posted or the date of actual receipt, whichever is earlier.

**TO CONTRACTOR:**

Nestor Caballero, CPA- Partner  
ALBERNI, CABALLERO & COMPANY, LLP  
4649 Ponce de Leon Blvd., Suite 404  
Coral Gables, FL. 33146

**TO THE CITY:**

Ronald K. Gorland, City Manager  
CITY OF MIAMI SPRINGS  
201 Westward Drive  
Miami Springs, FL 33166

23. **ATTORNEY FEES AND COSTS.** That should it become necessary for either party to this Contract to bring suit to enforce any provisions hereof or for damages on account of any breach of this Contract, the prevailing party in any such litigation, and any appeals therefrom, shall be entitled to recover from the other party, in addition to any damages or other relief granted as a result of such litigation, all costs and expenses of such litigation and reasonable attorney's fee as fixed by the court.

24. **MISCELLANEOUS PROVISIONS.**

A. That this Contract shall be construed and enforced in accordance with the laws of the State of Florida.

B. That title and paragraph headings contained herein are for convenient reference and are not a part of this Contract.

C. That no waiver or breach of any provisions of this Contract shall constitute a waiver of any subsequent breach of the same or any other provision hereof, and no waiver shall be effective unless made in writing.

D. That should any provision, paragraph, sentence, word or phrase contained in this Contract be determined by a court of competent jurisdiction to be invalid, illegal or otherwise unenforceable under the laws of the State of Florida, such provision, paragraph, sentence, word or phrase shall be deemed modified to the extent necessary in order to conform with such law, or if not modifiable, then same shall be deemed severable, and in either event, the remaining terms and provisions of this Contract shall remain unmodified and in full force and effect or limitation of its use.

E. That this Contract constitutes the sole and entire agreement between the parties hereto. No modification or amendment hereto shall be valid unless in writing and executed by properly authorized representatives of the parties hereto.

F. That this Contract shall be binding upon the parties hereto, their heirs, executors, legal representatives, successors or assigns.

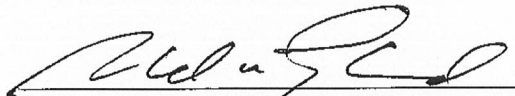

G. That Contractor has been procured and is being engaged to provide services to the City as an Independent Contractor, and not as an agent or employee of the City. Accordingly, Contractor shall not attain, nor be entitled to, any rights or benefits under the Civil Service or Pensions Ordinances of the City, nor any rights generally afforded classified or unclassified employees. Contractor further understands that Florida Worker's Compensation benefits available to employees of the City are not available to Contractor, and Contractor agrees to provide workers' compensation insurance for any employee or agent of Contractor rendering services to the City under this Contract.

H. That this instrument and its attachments constitute the sole and only agreement of the parties relating to the subject matter hereof and correctly set forth the rights, duties, and obligations of each to the other as of the date hereof. Any prior agreements, promises, negotiations, or representations not expressly set forth in this Contract are of no force or effect.

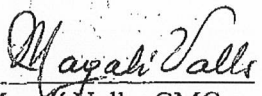
I. That this Contract may be executed in two or more counterparts, each of which shall constitute an original, but all of which, when taken together, shall constitute one and the same Contract.

IN WITNESS WHEREOF, the parties hereto have executed this Contract on the day and date first above written in five (5) counterparts, each of which shall, without proof or accounting for the other counterpart, be deemed to be an original Contract.

CITY OF MIAMI SPRINGS,  
A Municipal Corporation

BY:   
RONALD K. GORLAND, City Manager 

ATTEST:

  
Magali Valls, CMC  
City Clerk

(SEAL)



STATE OF FLORIDA  
COUNTY OF MIAMI-DADE

BEFORE ME, the undersigned authority, personally appeared RONALD K. GORLAND and MAGALI VALLS, the City Manager and City Clerk respectively, of the City of Miami Springs,

personally known to me, or  
 produced identification: \_\_\_\_\_

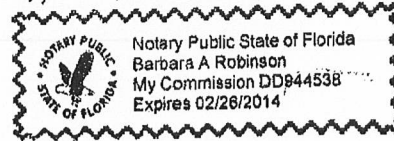
who being first duly sworn by me, state that they have executed the foregoing Contract for the purposes herein expressed.

SWORN TO AND SUBSCRIBED before me this 7 day of May, 2013.

Barbara A. Robinson  
NOTARY PUBLIC, State of Florida at Large  
BARBARA A. ROBINSON

MY COMMISSION EXPIRES:

2-26-2014



ALBERNI,CABALLERO & COMPANY, LLP

BY: [Signature]  
Print Name: Nestor Caballero  
Print Title: Partner

ATTEST:

Usha K. Ramgoolam  
Print Name: USHA K RAMGOOLAM

(SEAL)


STATE OF FLORIDA  
COUNTY OF MIAMI-DADE

BEFORE ME, the undersigned authority, personally appeared Nestor Caballero, President and Secretary respectively, of the the firm of ALBERNI,CABALLERO & COMPANY, LLP.

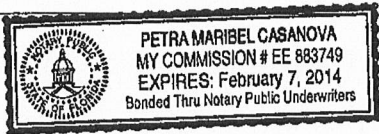
personally known to me, or  
 produced identification: \_\_\_\_\_

who being first duly sworn by me, state that they have executed the foregoing Contract for the purposes herein expressed.

SWORN TO AND SUBSCRIBED before me this 29 day of April, 2013.

  
\_\_\_\_\_  
NOTARY PUBLIC, State of Florida at Large

MY COMMISSION EXPIRES:





CONTRACTOR'S QUESTIONNAIRE

Company Name: Alberni Caballero & Company, LLP  
 Principal Officer: Nestor Caballero  
 Company Address: 4649 Ponce de Leon Blvd, Ste 404, Coral Gables, Florida 33146  
 Years in Business under Present Name: 7 years  
 Primary type of work your firm engages in: Audits and Tax Services  
 Years experience in your primary type of work: 18 years  
 List other types of work your firm engages in:  
Accounting, Payroll, Consulting

Does your organization have current occupational license(s) and certificate(s) of competency entitling it to do the work contemplated in this Contract? YES

Include copies of licenses and certificates with bid proposal.

Demonstrate your capacity to perform work of this magnitude by indicating five (5) projects within the past two (2) years that are equal to or greater in scope.

Company Name: <b>City of Miami Springs</b>	contact Name: <b>William Alonso</b>	
Contract Amount: <b>\$360,000</b>	Phone # <b>305-608-6677</b>	Fax #

Company Name: <b>City of Hialeah Gardens</b>	Contact Name: <b>Marcos Pilato</b>	
Contract Amount: <b>\$315,000</b>	Phone # <b>305-819-5310</b>	Fax #

Company Name: <b>City of Hialeah</b>	Contact Name: <b>Javier Collazo</b>	
Contract Amount: <b>\$875,000</b>	Phone # <b>305-883-5988</b>	Fax #

Company Name: <b>City of Doral</b>	Contact Name: <b>Eliza Rassi</b>	
Contract Amount: <b>\$250,000</b>	Phone # <b>305-593-6725</b>	Fax #

Company Name: <b>Village of Miami Shores</b>	Contact Name: <b>Holly Houghdahl</b>	
Contract Amount: <b>\$ 172,000</b>	Phone # <b>305-762-4855</b>	Fax #

Have you ever failed to complete any work awarded to you? NO

If so, where and why? \_\_\_\_\_

Has any officer or partner of your organization ever failed to complete a contract handled in his own name? NO

If so, state name of individual, name of owner, and reason thereof:

\_\_\_\_\_  
\_\_\_\_\_

What equipment do you own that is available for the proposed work.

Laptop, Computers, Scanners, Printers

What Bank or Banks have you arranged to do business with during the course of the Contract should it be awarded to you?

City National Bank

List the names, addresses, and phone numbers of all subcontractors which you may utilize to perform this contract. No change in sub-contractors, as listed, will be allowed without the written approval of the City of Miami Springs.

NONE



CABALLERO FIERMAN  
LLERENA + GARCIA LLP  
accountants | advisors

February 27, 2018

To Honorable Mayor, City Council and City Manager

City of Miami Springs, Florida  
201 Westward Drive  
Miami Springs, Florida 33166

Re: Engagement of Caballero Fierman Llerena + Garcia, LLP ("We", "our" or "us")

We are pleased to confirm our understanding of the services we are to provide the City of Miami Springs, Florida (the "City" "you" or "your") for the year ended September 30, 2017. 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 City as of and for the year ended September 30, 2017. 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 City'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 City's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Budgetary Comparison Schedules
- 3) Schedule of Funding Progress and Employer Contributions – OPEB
- 4) Schedules of Changes in the City's Net Pension Liability and Related Ratios
- 5) Schedules of City Contributions

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

- 1) Schedule of expenditures of federal awards.
- 2) Combining and individual fund financial statements.

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

- 1) Introductory Section

## 2) Statistical Section

### Audit Objectives

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

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and 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 *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Honorable Mayor and Members of the City Council of the City. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

### Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of 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 on major programs. However, we will inform

the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, 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 auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We 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 your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

#### **Audit Procedures—Internal Control**

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, 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. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

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*, and the Uniform Guidance.

#### **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 City's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the City's major programs. The purpose of these procedures will be to express an opinion on the City's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

#### **Management Responsibilities**

Management is responsible for (1) designing, implementing, and maintaining effective internal controls, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also

responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards 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 schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

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

used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

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

With regard to using the auditors' report, you understand that you must obtain our prior written consent to reproduce or use our report in bond offering official statements or other documents.

With regard to electronic dissemination or audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

#### **Engagement Administration, Fees, and Other**

We 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.

We will provide copies of our reports to the City; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Caballero Fierman Llerena + Garcia, LLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a regulating authority 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 Caballero Fierman Llerena + Garcia, LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

## Public Records

Contractor understands that the public shall have access, at all reasonable times, to all documents and information pertinent to this Contract, subject to the provisions of Chapter 119, Florida Statutes, and agrees to allow access by the City and the public to all documents subject to disclosure under applicable law. For purposes of this section, the term: (a) "Contractor" means an individual, partnership, corporation, or business entity that enters into a contract for services with a public agency and is acting on behalf of the public agency as provided under s. 119.011(2); and (b) "Public agency" means a state, county, district, authority, or municipal officer, or department, division, board, bureau, commission, or other separate unit of government created or established by law. In addition to other contract requirements provided by law, Contractor shall comply with public records laws, specifically to: (a) Keep and maintain public records that ordinarily and necessarily would be required by the public agency in order to perform the service; (b) Provide the public with access to public records on the same terms and conditions that the public agency would provide the records and at a cost that does not exceed the cost provided in this chapter or as otherwise provided by law; (c) Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law; and (d) Meet all requirements for retaining public records and transfer, at no cost, to the public agency all public records in possession of the Contractor upon termination of the contract and destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. All records stored electronically must be provided to the public agency in a format that is compatible with the information technology systems of the public agency.

Consultant's failure or refusal to comply with the provisions of this section shall result in the immediate termination of this Agreement by the City.

### **NOTICE PURSUANT TO SECTION 119.0701(2)(a), FLORIDA STATUTES**

**IF THE CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS.**

**Custodian of Records: Erika Gonzalez-Santamaria, MMC – City Clerk**

**Mailing address: City of Miami Springs  
201 Westward Drive  
Miami Springs, FL 33166  
**Telephone number: (305) 805-5006**  
**Email: gonzaleze@miamisprings-fl.gov****

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

Enrique Llerena, 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 \$35,000 for the audit of fiscal year ended September 30, 2017 (not including a Federal Single Audit, if required see below). Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. 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.

If the City is required to undergo a single audit in accordance with the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, the additional fee will be \$3,500. Also, a new engagement letter will be



provided that meets the requirements of the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance. The additional fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit.

The parties to this engagement agree that any dispute that may arise regarding the meaning, performance, or enforcement of this engagement will be submitted to mediation, either prior to the filing of any legal action, or upon service of any lawsuit, upon written request of any party to the engagement. The party requesting mediation shall select the mediation provider from the list of mediation training providers approved by the Florida Supreme Court. The mediation shall be conducted in accordance with the Commercial Mediation Rules of the American Arbitration Association or such other rules as may be agreed upon by the parties. The results of this mediation shall not be binding upon either party. Costs of any mediation proceeding shall be shared equally by both parties. The parties shall be responsible for their own legal fees incurred during the mediation. The venue of the mediation shall be in Miami-Dade County, Florida.

If mediation is unsuccessful, and/or if any legal proceedings are filed, by entering into this engagement, the Authority and we each expressly agree and acknowledge that Circuit Court for the Eleventh Judicial Circuit of Florida in and for Miami-Dade County, in Miami, Florida, and the United States District Court for the Southern District of Florida, in Miami, Florida, shall each have exclusive and sole jurisdiction for any action arising from, from relating to or in connection with this engagement letter, or any course of conduct, course of dealing, statement or actions by us or the Authority and their respective employees, representatives, or agents. You expressly acknowledge that you voluntarily submit to personal jurisdiction in the State of Florida for any such legal action.

**WE AND THE CITY EACH HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHT EITHER MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION OR LEGAL PROCEEDINGS BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS ENGAGEMENT LETTER OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENT (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF EITHER US OR THE CITY.**

The provisions of the immediately preceding last two paragraphs of this engagement letter are each a material inducement for us to accept this engagement in accordance with the provisions of this engagement letter. The terms and provisions of this engagement letter, any course of conduct, course of dealing and/or action on our part and/or by the Authority and our relationship with the Authority shall be governed by the laws of the State of Florida. In any litigation brought either by us or the City, the prevailing party shall be entitled to an award of its reasonable attorneys' fees and costs incurred, including through all appeals.

Our audit is intended for the benefit of the City. The audit will not be planned or conducted in contemplation of reliance by any third party or with respect to any specific transaction. Therefore, items of possible interest to a third party will not be specifically addressed and matters may exist that would be assessed differently by a third party, possibly in connection with a specific transaction.

If you intend to publish or otherwise reproduce the financial statements together with our report (or otherwise make reference to our Firm) in a document that contains other information, you agree to provide us with a draft of the document to read and comment on before it is printed and distributed. Furthermore, you agree that the terms of this engagement do not encompass an undertaking by us (1) to consent, by means of separate letter or otherwise, to the inclusion of our auditor's report on the financial statements referred to above in a filing with a Federal or state regulatory agency or otherwise reissue our report for purposes of a securities offering or other financing transaction, or (2) to acknowledge reliance on our report by others.

With regard to the electronic dissemination of the audited financial statements, including financial statements published electronically on a website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document. Further, you hereby authorize Caballero Fierman Llerena + Garcia, LLP to electronically submit to your employees or to others as you may request or as may be necessary to perform our engagement, any financial statements, workpapers, and other information related to our services under this agreement. By your signature below, you acknowledge and agree to hold Caballero Fierman Llerena + Garcia, LLP harmless from any damages, claims, liabilities, losses, and costs (including legal fees of counsel of our own choosing) whatsoever that might be caused by the electronic transmission or submission of this data.

We acknowledge your right to terminate our services at any time, and you acknowledge our right to resign at any time (including instances where in our judgment, our independence has been impaired or we can no longer rely on the integrity of management), subject in either case to our right to payment for all direct or indirect charges incurred through the date of termination or resignation or thereafter as circumstances and this engagement agreement may require.

This engagement letter reflects the entire agreement between us relating to the services covered by this letter. It replaces and supersedes any previous proposals, correspondence and understandings, whether written or oral. If any portion of this agreement is held to be void, invalid or otherwise unenforceable, in whole or in part, the remaining portions of this agreement shall remain in effect. The agreements of the Authority and Caballero Fierman Llerena + Garcia, LLP contained in this engagement letter shall survive the completion or termination of this engagement.

The terms and conditions of our Response to the City's Request for Proposals No. 02-12/13 (including the Price Proposal terms contained therein) and Award Contract dated April 23, 2013 are hereby incorporated into this engagement letter, and we will comply herewith. In the event of a conflict between the terms of the Renewal and the terms of the contract, the contract will govern, except for the \$35,000 cost and the service of providing the audit for fiscal year ending 9/30/17 and the \$3,500 cost for the Federal Single Audit.

This engagement letter is renewable at the option of the City. We appreciate the opportunity to be of continued service to the City and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,



Enrique Llerena, CPA  
Partner  
Caballero Fierman Llerena + Garcia, LLP

RESPONSE:

This letter correctly sets forth the understanding of City of Miami Springs.

Management signature: \_\_\_\_\_



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

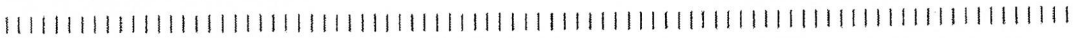
*City Manager*

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

*2/27/18*



Alberni Caballero & Fierman, LLP  
4649 Ponce de Leon Blvd  
Suite 404  
Coral Gables, FL 33146  
T: 305.662.7272 F: 305.662.4266  
ACF-CPA.COM



November 18, 2015

Honorable Mayor, City Council and City Manager  
City of Miami Springs, Florida  
201 Westward Drive  
Miami Springs, Florida 33166

Re: Engagement Letter with Alberni, Caballero & Fierman, LLP ("We," "our" or "us")

We are pleased to confirm our understanding of the services we are to provide the City of Miami Springs, Florida (the "City" "you" or "your") for the fiscal year ending September 30, 2015 (exercising the City's renewal option from the contract dated April 23, 2013).

We will audit the financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements of the City as of and for the fiscal year ending September 30, 2015.

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 City'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 City'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
- 3) Schedule of Funding Progress and Employer Contributions – OPEB
- 4) Schedule of Changes in the City's Net Pension Liability and Related Ratios
- 5) Schedule of City Contributions

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

1) Combining Non Major Fund Financial Statements

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

2) Introductory Section of the CAFR

3) Statistical Section

**Audit Objectives**

The objective of our audit is the expression of opinions as to whether your basic financial statements, taken as a whole 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. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of the City and other procedures we consider necessary to enable us to express such opinions. If our opinions on the 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. If, in our professional judgment, the circumstances require us to do so, we may resign from the engagement prior to completion.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The reports on internal control and compliance will each include a paragraph that states that the purpose of the report is solely to describe the scope of testing of internal control over financial reporting and compliance, and the result of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance, and 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. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the City is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

### **Management Responsibilities**

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. As part of the audit, we will assist with preparation of your financial statements and related notes. You will be required to acknowledge in the written representation letter our assistance with preparation of the financial statements and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, 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.

You acknowledge that we must have sufficient time to conduct our engagement. We will require your assistance to provide us with information on a timely basis in order to complete our engagement in an efficient and timely manner. Should we not receive such information and assistance from you with sufficient time to complete our engagement procedures, then you acknowledge that we can give no assurances that our engagement will be completed prior to the date it may be required.

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles.

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 include adjusting the financial statements to correct material misstatements and for 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.

The financial statements are the responsibility of the City's management, although management may consult with us regarding accounting principles applied to the financial statements and methods of application, the selection of accounting principles and method of application is a determination made solely by management.

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 for taking timely and appropriate steps to remedy any fraud, violations of contracts or grant agreements, or abuse that we may report.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) 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 other 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.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Finally, with regard to using the auditors' report, you understand that you must obtain our prior written consent to reproduce or use our report in bond offering official statements or other documents.

At the conclusion of our audit, we will request certain written representations from you that, among other things, will confirm management's responsibility for the preparation of the financial statements in accordance with accounting principles generally accepted in the U.S., attesting to the completeness and truthfulness of representations and disclosures made to us during the course of our work, the completeness and availability of all minutes of the Board and committee meetings, and, to the best of your knowledge and belief, the absence of irregularities involving management or those employees who have significant roles in the City's internal control structure. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The management representation letter must be signed and returned to us before we will release our auditors' report.

### **Independence**

Professional standards require that a firm and its members maintain independence throughout the duration of the professional relationship with a client. In order to preserve the integrity of our relationship with you, no offer of employment shall be discussed with any Alberni, Caballero & Fierman, LLP professionals assigned to the audit, during the one year period prior to the commencement of the year end engagement. Should 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 modify, or recall and modify, our auditor's report to reflect 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. Furthermore, we strive to staff your engagement with quality, well trained professionals. In recognition of the extensive investment we have made to recruit and develop our personnel, we ask that you agree to the following. In the event that any of our employees accepts a position of employment with your City, or any of your related parties at any time we are performing services for you or within one year thereafter, you agree to pay us a placement fee equal to the employee's annual compensation in effect on the date such employment was contracted or agreed. Such fee is payable when the employee accepts such a position.

### **Access to Working Papers**

The working papers prepared in conjunction with our engagement are the property of Alberni, Caballero & Fierman, LLP and constitute confidential information. The working papers will be retained by us in accordance with applicable laws and our 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.

We are required to undergo a "peer review" every three years. During the course of a peer review, selected working papers and financial reports, on a sample basis, will be inspected by an outside party on a confidential basis. Therefore, the work we performed for you for this engagement may be selected. Your signing this engagement letter represents your acknowledgement and permission to allow such access should this engagement be selected for review.

As a result of the services we provide to you pursuant to this engagement letter, and/or as a result of our prior or future services to the City, we may be required or requested to provide information or documents to you or a third-party in connection with a legal, arbitration or administrative proceeding (including a grand jury investigation) in which we are not a party.

If this occurs, our efforts in complying with such requests or demands will be deemed part of this engagement and we shall be entitled to compensation for our time and reimbursement for our reasonable out-of-pocket expenditures (including legal fees of counsel of our own choosing) 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.

### **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 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. 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. Our audit is not a special audit for the purpose of fraud detection, nor is it a detailed check of transactions of the accounting records. That, coupled with the fact that it is possible to override or circumvent the internal controls established by you to provide assurance, among other things, as to the reliability of financial records, means that our engagement is subject to the inherent risk that material errors, irregularities, or illegal acts, including fraud, defalcations or misappropriations of assets, will not be detected if they exist. That risk is substantially increased when collusion or forgery exists, or when there are unrecorded transactions or events. 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. Our responsibility as auditors is limited to the period covered by our audit and does not extend to 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*.

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 and *Government Auditing Standards*.



### **Audit Procedures—Compliance**

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

### **Engagement Administration, Fees, and Other**

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

We will provide copies of our reports to the City; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Albemarle Caballero & Fierman, LLP and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to a regulating authority 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 Albemarle Caballero & Fierman, LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

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

Andrew S. Fierman, 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 \$34,000 for the fiscal year ending September 30, 2015 (not including the Federal Single Audit, if required. See below).

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.

If the City is required to undergo a single audit in accordance with the Federal Single Audit Act and OMB Circular A-133, *Audits of States, Local Governments, and Not-for-Profit Organizations*, the additional fee will be \$3,500. Also, a new engagement letter will be provided that meets the requirements of the Federal Single Audit Act and OMB Circular A-133. The additional fee will be 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.

The parties to this engagement agree that any dispute that may arise regarding the meaning, performance, or enforcement of this engagement will be submitted to mediation, either prior to the filing of any legal action, or upon service of any lawsuit, upon written request of any party to the engagement. The party requesting mediation shall select the mediation provider from the list of mediation training providers approved by the Florida Supreme Court. The mediation shall be conducted in accordance with the Commercial Mediation Rules of the American Arbitration Association or such other rules as may be agreed upon by the parties. The results of this mediation shall not be binding upon either party. Costs of any mediation proceeding shall be shared equally by both parties. The parties shall be responsible for their own legal fees incurred during the mediation. The venue of the mediation shall be in Miami-Dade County, Florida.

If mediation is unsuccessful, and/or if any legal proceedings are filed, by entering into this engagement, the Authority and we each expressly agree and acknowledge that Circuit Court for the Eleventh Judicial Circuit of Florida in and for Miami-Dade County, in Miami, Florida, and the United States District Court for the Southern District of Florida, in Miami, Florida, shall each have exclusive and sole jurisdiction for any action arising from, from relating to or in connection with this engagement letter, or any course of conduct, course of dealing, statement or actions by us or the Authority and their respective employees, representatives, or agents. You expressly acknowledge that you voluntarily submit to personal jurisdiction in the State of Florida for any such legal action.

**WE AND THE CITY EACH HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHT EITHER MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION OR LEGAL PROCEEDINGS BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS ENGAGEMENT LETTER OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENT (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF EITHER US OR THE AUTHORITY.**

The provisions of the immediately preceding last two paragraphs of this engagement letter are each a material inducement for us to accept this engagement in accordance with the provisions of this engagement letter. The terms and provisions of this engagement letter, any course of conduct, course of dealing and/or action on our part and/or by the Authority and our relationship with the Authority shall be governed by the laws of the State of Florida. In any litigation brought either by us or the City, the prevailing party shall be entitled to an award of its reasonable attorneys' fees and costs incurred, including through all appeals.

Our audit is intended for the benefit of the City. The audit will not be planned or conducted in contemplation of reliance by any third party or with respect to any specific transaction. Therefore, items of possible interest to a third party will not be specifically addressed and matters may exist that would be assessed differently by a third party, possibly in connection with a specific transaction.

If you intend to publish or otherwise reproduce the financial statements together with our report (or otherwise make reference to our Firm) in a document that contains other information, you agree to provide us with a draft of the document to read and comment on before it is printed and distributed. Furthermore, you agree that the terms of this engagement do not encompass an undertaking by us (1) to consent, by means of separate letter or otherwise, to the inclusion of our auditor's report on the financial statements referred to above in a filing with a Federal or state regulatory agency or otherwise reissue our report for purposes of a securities offering or other financing transaction, or (2) to acknowledge reliance on our report by others.

With regard to the electronic dissemination of the audited financial statements, including financial statements published electronically on a website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document. Further, you hereby authorize Alberni Caballero & Fierman, LLP to electronically submit to your employees or to others as you may request or as may be necessary to perform our engagement, any financial statements, workpapers, and other information related to our services under this agreement. By your signature below, you acknowledge and agree to hold Alberni Caballero & Fierman, LLP harmless from any damages, claims, liabilities, losses, and costs (including legal fees of counsel of our own choosing) whatsoever that might be caused by the electronic transmission or submission of this data.

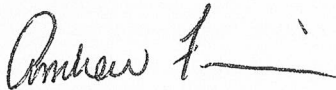
We acknowledge your right to terminate our services at any time, and you acknowledge our right to resign at any time (including instances where in our judgment, our independence has been impaired or we can no longer rely on the integrity of management), subject in either case to our right to payment for all direct or indirect charges incurred through the date of termination or resignation or thereafter as circumstances and this engagement agreement may require.

This engagement letter reflects the entire agreement between us relating to the services covered by this letter. It replaces and supersedes any previous proposals, correspondence and understandings, whether written or oral. If any portion of this agreement is held to be void, invalid or otherwise unenforceable, in whole or in part, the remaining portions of this agreement shall remain in effect. The agreements of the Authority and Alberni Caballero & Fierman, LLP contained in this engagement letter shall survive the completion or termination of this engagement.

The terms and conditions of our Response to the City's Request for Proposals No. 02-12/13 (including the Price Proposal terms contained therein as well as the contract with the City dated April 23, 2013) are hereby incorporated into this engagement letter, and we will comply herewith.

This engagement letter is renewable at the option of the City. We appreciate the opportunity to be of continued service to the City of Miami Springs, Florida and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

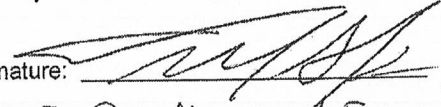
Very truly yours,



Andrew S. Fierman, CPA  
Partner  
Alberni Caballero & Fierman, LLP

RESPONSE:

This letter correctly sets forth the understanding of City of Miami Springs, Florida.

Authorized signature: 

Title: Assistant City Manager / Finance Director

Date: 11/25/15



Alberni Caballero & Fierman, LLP  
4649 Ponce de Leon Blvd  
Suite 404  
Coral Gables, FL 33146  
T: 305.662.7272 F: 305.662.4266  
ACF-CPA.COM



October 17, 2016

To Honorable Mayor, City Council and City Manager

City of Miami Springs, Florida  
201 Westward Drive  
Miami Springs, Florida 33166

Re: Renewal option from the contract dated April 23, 2013 engaging Alberni, Caballero & Fierman, LLP ("We," "our" or "us")

We are pleased to confirm our understanding of the services we are to provide the City of Miami Springs, Florida (the "City" "you" or "your") for the fiscal year ended September 30, 2016 (exercising the City's renewal option from the contract dated April 23, 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 City as of and for the fiscal year ended September 30, 2016. 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 City'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 City'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
- 3) Schedule of Funding Progress and Employer Contributions – OPEB
- 4) Schedule of Changes in the City's Net Pension Liability and Related Ratios
- 5) Schedule of City Contributions

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

- 1) Combining Financial Statements

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

- 1) Introductory Section
- 2) Statistical Section

### **Audit Objectives**

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of the City and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the City's financial statements. Our report will be addressed to the Honorable Mayor and Members of the City Council. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the City is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

### **Audit Procedures—General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of 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 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. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes 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. Our responsibility as auditors is limited to the period covered by our audit and does not extend to 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 your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

#### **Audit Procedures—Internal Control**

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

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 and *Government Auditing Standards*.

#### **Audit Procedures—Compliance**

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

#### **Other Services**

We will also assist in preparing the financial statements and related notes of the City in conformity with U.S. generally accepted accounting principles based on information provided by you. 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*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

#### **Management Responsibilities**

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information 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 the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (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 include adjusting the financial statements to correct material misstatements and for 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 government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to [include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon]. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other 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.

With regard to using the auditor's report, you understand that you must obtain our prior written consent to reproduce or use our report in bond offering official statements or other documents.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

#### **Engagement Administration, Fees, and Other**

We 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.

We will provide copies of our reports to the City; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Alberni Caballero & Fierman, LLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a regulating authority 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 Alberni Caballero & Fierman, LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

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

Enrique Llerena, 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 \$35,000 for the audit of fiscal year ended September 30, 2016 (not including a Federal Single Audit, if required see below). Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. 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.

If the City is required to undergo a single audit in accordance with the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, the additional fee will be \$3,500. Also, a new engagement letter will be provided that meets the requirements of the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance. The additional fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit.

The parties to this engagement agree that any dispute that may arise regarding the meaning, performance, or enforcement of this engagement will be submitted to mediation, either prior to the filing of any legal action, or upon service of any lawsuit, upon written request of any party to the engagement. The party requesting mediation shall select the mediation provider from the list of mediation training providers approved by the Florida Supreme Court. The mediation shall be conducted in accordance with the Commercial Mediation Rules of the American Arbitration Association or such other rules as may be agreed upon by the parties. The results of this mediation shall not be binding upon either party. Costs of any mediation proceeding shall be shared equally by both parties. The parties shall be responsible for their own legal fees incurred during the mediation. The venue of the mediation shall be in Miami-Dade County, Florida.

If mediation is unsuccessful, and/or if any legal proceedings are filed, by entering into this engagement, the Authority and we each expressly agree and acknowledge that Circuit Court for the Eleventh Judicial Circuit of Florida in and for Miami-Dade County, in Miami, Florida, and the United States District Court for the Southern District of Florida, in Miami, Florida, shall each have exclusive and sole jurisdiction for any action arising from, from relating to or in connection with this engagement letter, or any course of conduct, course of dealing, statement or actions by us or the Authority and their respective employees, representatives, or agents. You expressly acknowledge that you voluntarily submit to personal jurisdiction in the State of Florida for any such legal action.

**WE AND THE CITY EACH HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHT EITHER MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION OR LEGAL PROCEEDINGS BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS ENGAGEMENT LETTER OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENT (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF EITHER US OR THE AUTHORITY.**

The provisions of the immediately preceding last two paragraphs of this engagement letter are each a material inducement for us to accept this engagement in accordance with the provisions of this engagement letter. The terms and provisions of this engagement letter, any course of conduct, course of dealing and/or action on our part and/or by the Authority and our relationship with the Authority shall be governed by the laws of the State of Florida. In any litigation brought either by us or the City, the prevailing party shall be entitled to an award of its reasonable attorneys' fees and costs incurred, including through all appeals.



Our audit is intended for the benefit of the City. The audit will not be planned or conducted in contemplation of reliance by any third party or with respect to any specific transaction. Therefore, items of possible interest to a third party will not be specifically addressed and matters may exist that would be assessed differently by a third party, possibly in connection with a specific transaction.

If you intend to publish or otherwise reproduce the financial statements together with our report (or otherwise make reference to our Firm) in a document that contains other information, you agree to provide us with a draft of the document to read and comment on before it is printed and distributed. Furthermore, you agree that the terms of this engagement do not encompass an undertaking by us (1) to consent, by means of separate letter or otherwise, to the inclusion of our auditor's report on the financial statements referred to above in a filing with a Federal or state regulatory agency or otherwise reissue our report for purposes of a securities offering or other financing transaction, or (2) to acknowledge reliance on our report by others.

With regard to the electronic dissemination of the audited financial statements, including financial statements published electronically on a website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document. Further, you hereby authorize Alberni Caballero & Fierman, LLP to electronically submit to your employees or to others as you may request or as may be necessary to perform our engagement, any financial statements, workpapers, and other information related to our services under this agreement. By your signature below, you acknowledge and agree to hold Alberni Caballero & Fierman, LLP harmless from any damages, claims, liabilities, losses, and costs (including legal fees of counsel of our own choosing) whatsoever that might be caused by the electronic transmission or submission of this data.

We acknowledge your right to terminate our services at any time, and you acknowledge our right to resign at any time (including instances where in our judgment, our independence has been impaired or we can no longer rely on the integrity of management), subject in either case to our right to payment for all direct or indirect charges incurred through the date of termination or resignation or thereafter as circumstances and this engagement agreement may require.

This engagement letter reflects the entire agreement between us relating to the services covered by this letter. It replaces and supersedes any previous proposals, correspondence and understandings, whether written or oral. If any portion of this agreement is held to be void, invalid or otherwise unenforceable, in whole or in part, the remaining portions of this agreement shall remain in effect. The agreements of the Authority and Alberni Caballero & Fierman, LLP contained in this engagement letter shall survive the completion or termination of this engagement.

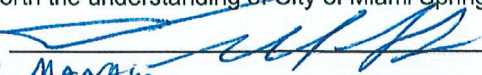
The terms and conditions of our Response to the City's Request for Proposals No. 02-12/13 (including the Price Proposal terms contained therein as well as the contract with the City dated April 23, 2013) are hereby incorporated into this engagement letter, and we will comply herewith.

This engagement letter is renewable at the option of the City. We appreciate the opportunity to be of continued service to the City and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,  
*Enrique Llerena*  
Enrique Llerena, CPA  
Partner  
Alberni Caballero & Fierman, LLP

RESPONSE:

This letter correctly sets forth the understanding of City of Miami Springs

Management signature:   
Title: City Manager  
Date: 10/20/16