

March 28, 2025

James Moore & Co., P.L.  
121 Executive Circle  
Daytona Beach, FL 32114

This representation letter is provided in connection with your audit of the financial statements of the City of Madeira Beach, Florida (the City), which comprise the statement of financial position as of September 30, 2024, and the related statements of operations and cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows of the City in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information such that, in the light of surrounding circumstances, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of March 28, 2025:

### **Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated September 25, 2024, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
2. The financial statements referred to above have been fairly presented in accordance with U.S. GAAP and include all properly classified funds, required supplementary information, and notes to the basic financial statements.
3. We acknowledge our responsibility for the design, implementation, and maintenance of the system of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
4. We acknowledge our responsibility for the design, implementation, and maintenance of the system of internal control to prevent and detect fraud.
5. With respect to the nonattest services provided by you, we have performed the following:
  - a. Made all management decisions and performed all management functions;
  - b. Assigned a competent individual to oversee the services;
  - c. Evaluated the adequacy of the services performed;
  - d. Evaluated and accepted responsibility for the result of the service performed; and
  - e. Established and maintained controls, including a process to monitor the system of internal control.

6. The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of the applicable financial reporting framework.
7. We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
8. We have reviewed, approved, and taken responsibility for the financial statements and related notes.
9. We have a process to track the status of audit findings and recommendations.
10. We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
11. All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
12. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
13. The effects of uncorrected misstatements summarized below and aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the applicable opinion units and to the financial statements as a whole.
  - None noted.
14. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
15. All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
16. All funds and activities are properly classified.
17. All funds that meet the quantitative criteria in GASB Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, GASB Statement No. 37, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus as amended, and GASB Statement No. 65, Items Previously Reported as Assets and Liabilities, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
18. All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
19. Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
20. All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
21. All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
22. All interfund and intra-entity transactions and balances have been properly classified and reported.
23. Special items and extraordinary items have been properly classified and reported.
24. Deposit and investment risks have been properly and fully disclosed.

25. Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
26. All required supplementary information is measured and presented within the prescribed guidelines.
27. With regard to investments and other instruments reported at fair value:
  - a. The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
  - b. The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
  - c. The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
  - d. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
28. Non-exchange and exchange financial guarantees, either written or oral, under which it is more likely than not that a liability exists have been properly recorded, or if we are obligated in any manner, are disclosed.
29. With regard to pensions and OPEB:
  - a. We believe that the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.
  - b. We are unable to determine the possibility of a withdrawal liability from the Plan of which we are a sponsor and are not currently contemplating withdrawing from the Plan.
  - c. Increases in benefits, elimination of benefits and all similar amendments have been disclosed in accordance with U.S. GAAP and are included in the most recent actuarial valuation, or disclosed as a subsequent event.

### **Information Provided**

30. We have provided you with:
  - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
  - b. Additional information that you have requested from us for the purpose of the audit; and
  - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
  - d. A written acknowledgement of all the documents that we expect to issue that will be included in the annual report and the planned timing and method of issuance of that annual report;
  - e. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report.
31. The financial statements and any other information included in the annual report are consistent with one another, and the other information does not contain any material misstatements.
32. All transactions have been recorded in the accounting records and are reflected in the financial statements.
33. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

34. We have provided to you our analysis of the entity's ability to continue as a going concern, including significant conditions and events present, and if necessary, our analysis of management's plans, and our ability to achieve those plans.
35. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - a. Management;
  - b. Employees who have significant roles in internal control; or
  - c. Others where the fraud could have a material effect on the financial statements.
36. We have no knowledge of allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
37. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
38. We have disclosed to you the identity of all the entity's related parties and the nature of all the related party relationships and transactions of which we are aware.
39. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
40. The City has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
41. We have disclosed to you all guarantees, whether written or oral, under which The City is contingently liable.
42. We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.
43. For nonexchange financial guarantees where we have declared liabilities, the amount of the liability recognized is the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. Where there was no best estimate but a range of estimated future outflows has been established, we have recognized the minimum amount within the range.
44. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB-62. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
45. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
46. There are no:
  - a. Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
  - b. Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.

- c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62.
  - d. Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
47. The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
48. We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

**Other Representations**

49. We have taken timely and appropriate steps to remedy fraud, noncompliance with laws, regulations, or provisions of contracts or grant agreements, reported to us.
50. We have provided views on your reported audit findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
51. We agree with the findings of specialists in evaluating the Pension Plans, and OPEB, and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.
52. We believe that the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.
53. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances, line of credit, or similar arrangements have been properly disclosed.
54. Provisions for uncollectible receivables have been properly identified and recorded.
55. With respect to the supplementary information accompanying the financial statements:
- a. We acknowledge our responsibility for the supplementary information in accordance with U.S. GAAP.
  - b. We believe the supplementary information, including its form and content, is fairly presented in accordance with U.S. GAAP
  - c. The methods of measurement or presentation have not changed from those used in the prior period.
  - d. We believe significant assumptions or interpretations underlying the measurement or presentation of the supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances
56. With regard to pensions and OPEB, increases in benefits, elimination of benefits and all similar amendments have been disclosed in accordance with U.S. GAAP and are included in the most recent actuarial valuation, or disclosed as a subsequent events.
57. All significant loss contingencies for litigation related to general liability cases are covered by the City's insurance policies; no additional amounts have been recorded.

58. There have been no cybersecurity breaches or other cyber events whose effects should be considered for disclosure in the financial statements, as a basis for recording a loss contingency, or otherwise considered when preparing the financial statements.

**Florida Single Audit Act**

59. With respect to state assistance projects:

- a. We are responsible for complying and have complied with the requirements of Section 215.97, Florida Statutes, Florida Single Audit Act.
- b. We have, in accordance with Rule 27D-1.002, Rules of the Executive Office of the Governor, identified in the schedule of expenditures of Federal awards and State financial assistance, expenditures made during the audit period for all awards provided by state agencies in the form of grants, loans, loan guarantees, investments, property (including donated surplus property), cooperative agreements, insurance, food commodities, direct appropriations, tax credits, tax refunds and other assistance.
- c. We are responsible for complying with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our state projects and have identified and disclosed to you the requirements of laws, regulations and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major state project.
- d. We are responsible for establishing and maintaining effective internal control over compliance requirements applicable to state projects that provides reasonable assurance that we are managing our state assistance in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our state projects. We believe the internal control system is adequate and is functioning as intended. Also, no changes have been made in the internal control system to the date of this letter that might significantly affect internal control, including any corrective action taken with regard to control deficiencies reported in the schedule of findings and questioned costs.
- e. We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with state agencies or pass-through entities relating to each major state project.
- f. We have received no requests from a state agency to audit one or more specific projects as a major project.
- g. We have complied, in all material respects, with the compliance requirements, including when applicable, those set forth in the "State Projects Compliance Supplement," relating to state assistance and have identified and disclosed to you all amounts questioned and any known noncompliance with the requirements of state assistance, including the results of other audits or program reviews.
- h. Amounts claimed or used for matching were determined in accordance with relevant guidelines in the Uniform Guidance.
- i. We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- j. We have made available to you all documentation related to the compliance requirements, including information related to state projects financial reports and claims for advances and reimbursements.
- k. State projects financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared, and are prepared on a basis consistent with the schedule of expenditures of awards.

- l. The copies of state projects financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective state agency or pass-through entity, as applicable.
- m. We have monitored subrecipients to determine that they have expended pass-through assistance in accordance with applicable laws and regulations and have met the requirements of Florida Single Audit Act.

### **Examination Engagement**

60. We confirm, to the best of our knowledge and belief, as of March 28, 2025, the following representations made to you during your examination engagement related to the City's compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies* (the Statutes):
- a. All relevant matters are reflected in the measurement or evaluation of the City's compliance with the Statutes.
  - b. All known matters contradicting the measurement or evaluation of the City's compliance with the Statutes and any communication from regulatory agencies or others affecting the City's compliance with the Statutes have been disclosed to you, including communications received between the end of the period addressed by the practitioner's report and the date of the practitioner's report.
  - c. We are responsible for:
    - i. All deficiencies in internal control relevant to the City's compliance with the Statutes;
    - ii. Selecting the criteria; and
    - iii. Determining that such criteria are suitable, will be available to the intended users, and are appropriate for the purpose of the engagement.
  - d. Any known events occurring subsequent to September 30, 2024, that would have a material effect on the City's compliance with the Statutes have been disclosed to you.
  - e. We have provided you with all relevant information and access as agreed upon in the terms of the engagement.
  - f. We have responded fully to all inquiries made to us by you during the examination.
  - g. We have disclosed to you:
    - i. All deficiencies in internal control relevant to the City's compliance with the Statutes of which we are aware.
    - ii. Our knowledge of any actual, suspected, or alleged fraud affecting the City's compliance with the Statutes.
    - iii. Our knowledge of any actual, suspected, or alleged noncompliance with laws or regulations affecting the City's compliance with the Statutes.
  - h. We understand that your examination was conducted in accordance with attestation standards established by the AICPA and was designed for the purpose of expressing an opinion on the fairness of the presentation of the City's compliance in accordance with US GAAP based on your examination, and that your procedures were limited to those that you considered necessary for that purpose.

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

James Moore & Co., P.L.  
March 28, 2025  
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Robin Gomez, City Manager

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

Andrew Laflin, Finance Director

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

Patrick Cade, Assistant Finance Director