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July 7, 2025

To the Board of Directors and Management of
The Marina at the Bluffs Condominium Association, Inc.

Re: Engagement letter – audit

We are pleased to confirm our understanding of the services we are to provide for The Marina at the Bluffs Condominium Association, Inc. ("the Association") for the years ended December 31, 2026, 2027 and 2028.

Audit Scope and Objectives

We will audit the financial statements of the Association, which comprise the balance sheet as of December 31, 2026, 2027 and 2028 and the related statement of revenues and expenses and changes in fund balances, and cash flows for the years then ended, and the disclosures (collectively the "financial statements"). The financial statements will include supplementary information about future major repairs and replacements required by the Financial Accounting Standards Board (FASB) (unless omitted by management). Although we will apply certain limited procedures with respect to the required supplementary information, we will not audit the information and will not express an opinion on it. Also, the supplementary information accompanying the financial statements, except of the portion(s) marked "unaudited", will be subjected 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 (GAAS), and we will provide an opinion on it in relation to the financial statements as a whole in a separate written report accompanying our auditor's report on the financial statements.

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles (GAAP). Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. 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 Association or to acts by management or employees acting on behalf of the Association.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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 an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. 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. 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.

We will obtain an understanding of the Association and its environment, including internal control relevant to the audit, sufficient to assess the risks of material misstatement of the financial statements, whether due to fraud or error, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under professional standards.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and direct confirmation of certain assets and liabilities by correspondence with selected owners, creditors, legal counsel, financial institutions, and others, or none, as we deem necessary. Our procedures will not determine whether the funds designated for future major repairs and replacements are adequate to meet such future costs because such a determination is outside the scope of the engagement. We may also request written representations from your attorneys as part of the engagement and they may bill you for responding to this inquiry.

Other services

We will prepare the Association's federal and state (if applicable) income tax returns for the years noted above based on information provided by you. We will also assist in preparing the financial statements of the Association in conformity with GAAP based on the information provided by you.

We will perform the services in accordance with applicable professional standards, including the *Statements on Standards for Tax Services* issued by the American Institute of Certified Public Accountants. The other services are limited to the financial statement and tax 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 responsibility. We will advise management with regard to tax positions taken in the preparation of the tax return, but management must make all decisions with regards to those matters.

You agree to assume all management responsibilities for the tax services, financial statement preparation services, and any other non-attest services we provide; oversee the services by designating an individual, with suitable skill, knowledge, or experience; evaluate the adequacy and result of the services; and accept responsibility for them.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with GAAP. You are also responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers).

Responsibilities of Management for the Financial Statements (continued)

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, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the Association from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

You are responsible for providing such information and access in a timely manner.

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.

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 Association 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 Association received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the Association complies with applicable laws and regulations. You are responsible for the preparation of the required supplementary information about future major repairs and replacements. You are responsible for the preparation of the supplementary information in conformity with GAAP. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon.

You are responsible for maintaining financial statements, books, and supporting records that are in good condition and complete. All banking and investment accounts should be reconciled, detailed accounts receivable and accounts payable ledgers, which agree with the financial statements, should be maintained, reserve accounting should be properly recorded, disbursements and expenses should be properly recorded in the correct fund, etc. If we determine that your books and records are not in good order, or incomplete, once we begin the audit, we will advise you of their condition. At that time the audit will be delayed until the books and records are put in good order. We will advise you about appropriate accounting principles and their application and will assist in the preparation of the financial statements, but the ultimate decision making and responsibility for the financial statements remains with you. This responsibility includes the establishment and maintenance of adequate records and effective internal controls over financial reporting, the selection and application of accounting principles, and the safeguarding of assets.

Engagement Administration, Fees, and Other

Mr. Charles S. Hafer, CPA is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

- Our fees for our audit services will be **\$22,500** per year.
- Our fees for our tax preparation services will be **\$450 (Form 1120-H) or \$900 (Form 1120 or 1120-C)** per year.

These quoted fees are valid for 30 days. If this letter is not signed and returned to us within 30 days from the date present on Page 1, then this letter may be voided by us in our sole and absolute discretion.

The fee for this engagement was derived based upon the Association's normal operating budget. If the financial situation of the Association substantially changes during the course of the year (e.g. large special assessments or projects), which causes the scope and extent of our services under this agreement to change, we will discuss a mutually agreeable change in fees prior to issuance of our report.

We will invoice 50% of the audit services fee at the signing of the engagement letter. We will invoice the remaining 50% when a draft of the financial statement is completed and delivered. All invoices are payable upon receipt. The fees shown above are based on anticipated cooperation from the Board of Directors, management, and Association personnel, and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary to complete the engagement, we will discuss it with you and arrive at a new fee before we incur additional costs. Our invoices for these fees will be rendered as work progresses and are also payable upon receipt.

Engagement Administration, Fees, and Other (continued)

If changes are requested to be made to the draft financial statements for bookkeeping related items, which are outside the scope of our engagement (e.g. small unrecorded payables and accruals or reclassification entries that should have been recorded prior to us beginning our engagement), and we were not informed of these requested adjustments until after the issuance of the first draft we will bill additional fees on an hourly rate of \$350 to make these bookkeeping changes to the draft. After completing the engagement, meetings with management and the Board of Directors to present or discuss the results of the engagement will be billed at our standard hourly rates.

In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

Any controversy, claim or dispute arising between Hafer LLC and the Association or its representatives, as a result of this engagement, shall be settled solely and exclusively by binding arbitration in Palm Beach County, Florida. Such arbitration shall be conducted in accordance with the then prevailing Florida Arbitration Codes. Each party shall bear its own attorney's fees and expenses. The parties agree to abide by all decisions and awards rendered in such proceedings. Such decisions and awards rendered by the arbitrator shall be final and conclusive. All such controversies, claims, or disputes shall be settled in this manner in lieu of any action at law. The arbitrator shall not have the right to award punitive damages or speculative damages to either party and shall not have the power to amend this Agreement. The arbitrator shall be required to follow applicable law, which shall be the law of the State of Florida. If for any reason this arbitration clause is not enforced, then each party hereby irrevocably waives all right to trial by jury as to any issue.

Reporting

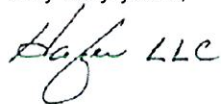
We will issue a written report upon completion of our audit of the Association's financial statements. Our report will be addressed to the Board of Directors. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of the circumstances, it may be necessary for us to modify our opinion or add an emphasis-of-matter paragraph, other-matter paragraph, or separate section to our auditor's report, or if necessary, withdraw from this engagement. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If for any reason, we are unable to complete that audit or unable to form or have not formed an opinion, we may decline to express an opinion or withdraw from the engagement.

Closing

By signing below, you agree to release, indemnify, defend, and hold Hafer LLC and its partners, heirs, executors, personal representatives, successors, and assigns, harmless from any liability and costs, including attorney's fees, resulting from *knowing misrepresentations* by the Board of Directors and/or the Association's management to us.

We sincerely appreciate the opportunity to be of service to you 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 return it to us.

Very truly yours,



Accepted:

The Marina at the Bluffs Condominium Association, Inc.

Signature: _____

Print Name: _____

Title: _____

Date: _____