

AGREEMENT

THIS AGREEMENT, made and entered into this ____ day of August, 2025 by and between the CITY OF CLEARWATER, FLORIDA, a municipal corporation of the State of Florida, located at 600 Cleveland Street, Suite 600, Clearwater, Florida 33755, hereinafter referred to as "City", and Cherry Bekaert, LLP, a firm of Certified Public Accountants, located at 401 East Jackson Street, Suite 1200, Tampa, Florida, 33602, hereinafter referred to as "Contractor";

WHEREAS, the City is required by Article II, Section 2.01(c)(3) of the City Charter to provide for an annual audit of its financial accounts; and

WHEREAS, the City participates in various Federal, State and County Assistance programs which require independent financial and compliance audits in accordance with rules established by the U.S. Department of Housing and Urban Development, Florida Auditor General, and other agencies; and

WHEREAS, the Contractor is in the business of public accounting, is fully qualified to meet the requirements of applicable City, State and Federal law, and desires to perform the necessary services:

NOW, THEREFORE, the parties agree as follows:

1. The foregoing recitals are true and correct and are incorporated in and form a part of this Agreement.
2. The "Auditor Services Documents" form the Auditor Services Agreement. The Auditor Services Documents consist of this Agreement between the City and the Contractor (hereinafter "Agreement") and its attached Exhibits: City of Clearwater Request for Proposal for Professional Auditing Services, ("RFP 32-25") issued April 23, 2025 (Exhibit "A"); Proposal to provide Professional Auditing Services to the City of Clearwater, Florida ("Proposal") submitted May 28, 2025 (Exhibit "B"); Engagement Letters from Contractor to City confirming understanding of the services to be provided under the Agreement ("Engagement Letter") (Exhibit "C"). The Auditor Services Documents shall not be construed to create a contractual relationship of any kind with any third party, including any third-party service provider used by the Contractor in the fulfillment of its obligations under the Agreement. Any conflict or inconsistency in documents relating to this Agreement shall be resolved by giving precedent in the following order: (i) this Agreement and subsequent Amendments; (ii) Exhibit A, (iii) Exhibit B, and (iv) Exhibit C.

3. This Agreement relates specifically to the City's fiscal years ending September 30, 2025 thru 2029. City Charter Section 2.01(c)(3) currently prohibits any single audit firm from being employed for more than five consecutive years. The fees for subsequent years are fixed per this Agreement and not expected to deviate from the amounts stated herein except for unanticipated significant changes in the scope of auditing services required by the City.
4. The Contractor shall review the City's annual comprehensive financial report for compliance with GAAP and the applicable requirements of the Certificate of Achievement for Excellence in Financial Reporting program of the Government Finance Officers Association and assist the City in complying with new or existing requirements. The Contractor shall, subject to the terms and conditions of the engagement letter, render a report on the fair presentation of the City's basic financial statements and all individual non-major fund financial statements, in conformity with generally accepted accounting principles, for the fiscal years ending September 30, 2025 thru 2029. The Contractor shall, subject to the terms and conditions of the engagement letter, render a report on the fair presentation of the City's combining and individual fund financial statements and schedules in conformity with generally accepted accounting principles. The Contractor is not required to audit the supplementary information contained in the comprehensive annual financial report, however, the Contractor shall provide an "in-relation-to" report on the supplementary information based on the audit procedures applied during the audit of the basic financial statements and the combining and individual fund financial statements and schedules. The Contractor is not required to audit the introductory or statistical sections of the report.

The Contractor shall also perform the required financial and compliance audits associated with Federal, State, and County Assistance programs in accordance with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance); the provisions of the Florida Single Audit Act (Section 215.97 Florida Statutes); and rules of other agencies.

5. Following completion of the audit, the Contractor shall, subject to the terms and conditions of the engagement letter, render the following reports:
 - Express an opinion or issue a report as appropriate on the fair presentation of the City's basic financial statements in conformity with U.S. generally accepted accounting principles no later than March 15th annually.

- Express an opinion or issue a report as appropriate on the fair presentation of City's individual non-major governmental, non-major enterprise, internal service and fiduciary funds financial statements, including any budgetary comparisons presented as basic financial statements, in conformity with U.S. generally accepted accounting principles, no later than March 15th annually.
- Provide an "in-relation-to" opinion or report as appropriate on the supporting schedules of federal and state financial assistance, as well as all statements and schedules included within the financial section of the Annual Comprehensive Financial Report (ACFR).
- Perform certain limited procedures involving required supplementary information as mandated by generally accepted auditing standards.
- Provide a report on internal controls over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with government auditing standards.
- Provide a report on compliance with requirements applicable to each major Federal program and state project and on internal control over compliance required by Title 2, U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance).
- Provide a schedule of findings and questioned costs as mandated by Title 2, U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance), and the *Florida Single Audit Act*.
- Provide any other reports required by the Uniform Guidance and the Florida Single Audit Act.
- Provide a Management Letter as required by Section 10.554(1)(i) of the Rules of the Auditor General of the State of Florida including all required disclosures.
- Provide an Independent Accountant's Report as required by the Florida Auditor General.
- Audit the special purpose Schedule of Revenues and Expenditures of Emergency Medical Services and express an opinion or issue a report as

appropriate as to whether the Schedule presents fairly, in all material respects, the revenues and expenditures related to the Emergency Medical Services (EMS) of the City in accordance with the ALS First Responder Agreement.

- Audit the Community Redevelopment Agency financial statements in accordance with Section 163.387(8), Florida Statutes, and Rule 10.556, Rules of the Auditor General.
 - Complete the appropriate section of and sign the Data Collection Form.
6. The Contractor, at the end of the audit at no additional cost to the City, will provide a report on the liftable portion of the financial statements that would be suitable to include with the financial statements included in a debt issuance. When this report is used, the City will include in their offering statement the following: “Cherry Bekaert, LLP our independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Cherry Bekaert, LLP also has not performed any procedures relating to this official statement.”
 7. The Contractor shall assist the City in scheduling the Annual Comprehensive Financial Report to be completed and issued no later than March 15th, succeeding each fiscal year. Contractor/City meetings will be held at least once per month until completion of this Agreement. Weekly status meetings shall be held while the Contractor is working at the City. The Contractor shall complete performance under this Agreement by March 31st succeeding each fiscal year.
 8. The Contractor shall bill the City and the City shall pay the Contractor for the performance of the services under this Agreement on the basis of the Contractor's normal and customary charges for such services, plus ordinary out-of-pocket expenses customarily stated separately by the Contractor in their general practice. The total amount of this Agreement, including out-of-pocket expenses, shall not exceed:

| | |
|-------------|-----------|
| Fiscal 2025 | \$150,000 |
| Fiscal 2026 | \$153,750 |
| Fiscal 2027 | \$157,595 |
| Fiscal 2028 | \$161,535 |
| Fiscal 2029 | \$165,570 |

The City may, by amendment of this Agreement, increase this maximum fee and/or extend the completion date upon the Contractor's showing evidence of conditions

which require substantially more time than would generally be required to perform the prescribed services. Progress payments will be made periodically for work completed to date based on invoices submitted by the Contractor. The sum of such progress payments shall not exceed ninety percent (90%) of the maximum specified above. The final payment will be made within thirty (30) days of receipt of the final audit reports.

9. Notices.

All notices, requests, demands, or other communications required by law, or this Agreement shall be in writing and shall be deemed to have been served as of the delivery date appearing upon the return receipt if sent by certified mail, postage prepaid with return receipt requested, to:

Jay Ravins, Finance Director
City of Clearwater
100 South Myrtle Avenue
Clearwater, FL 33756

Lauren Strobe, Partner
Cherry Bekaert, LLP
401 East Jackson Street, Suite 1200
Tampa, FL 33602

10. It is expressly understood that the relationship of Contractor to the City will be that of an independent contractor. Contractor and all persons employed by Contractor, either directly or indirectly, are Contractor's employees, not City employees. Accordingly, Contractor and Contractor's employees are not entitled to any benefits provided to City employees including, but not limited to, health benefits, enrollment in a retirement system, paid time off or other rights afforded City employees. Contractor employees will not be regarded as City employees or agents for any purpose, including the payment of unemployment or workers' compensation. If any Contractor employees or subcontractors assert a claim for wages or other employment benefits against the City, Contractor will defend, indemnify and hold harmless the City from all such claims.
11. Contractor may not subcontract work under this Agreement without the express written permission of the City. If Contractor has received authorization to subcontract work, it is agreed that all subcontractors performing work under the Agreement must comply with its provisions. Further, all agreements between Contractor and its subcontractors must provide that the terms and conditions of this Agreement be incorporated therein.

12. This Agreement may not be assigned either in whole or in part without first receiving the City's written consent. Any attempted assignment, either in whole or in part, without such consent will be null and void and in such event the City will have the right at its option to terminate the Agreement. No granting of consent to any assignment will relieve Contractor from any of its obligations and liabilities under the Agreement.
13. This Agreement will be binding upon and inure to the benefit of the parties and their respective permitted successors and assigns.
14. This Agreement is intended for the exclusive benefit of the parties. Nothing set forth in this Agreement is intended to create, or will create, any benefits, rights, or responsibilities in any third parties.
15. There will be no oral changes to this Agreement. This Agreement can only be modified in a writing signed by both parties. No charge for extra work or material will be allowed unless approved in writing, in advance, by the City and Contractor.
16. Contractor must procure all permits and licenses, and pay all charges and fees necessary and incidental to the lawful conduct of business. Contractor must stay fully informed of existing and future federal, state, and local laws, ordinances, executive orders, and regulations that in any manner affect the fulfillment of this Agreement and must comply with the same at its own expense. Contractor bears full responsibility for training, safety, and providing necessary equipment for all Contractor personnel to achieve throughout the term of the Agreement. Upon request, Contractor will demonstrate to the City's satisfaction any programs, procedures, and other activities used to ensure compliance.
17. Contractor represents and warrants that it does not discriminate against any employee or applicant for employment or person to whom it provides services because of race, color, religion, sex, national origin, or disability, and represents and warrants that it complies with all applicable federal, state, and local laws and executive orders regarding employment. Contractor and Contractor's personnel will comply with applicable provisions of Title VII of the U.S. Civil Rights Act of 1964, as amended, Section 504 of the Federal Rehabilitation Act, the Americans with Disabilities Act (42 U.S.C. § 12101 et seq.), and applicable rules in performance under this Agreement.
18. Contractor is responsible for the payment of all taxes including federal, state, and local taxes related to or arising out of Contractor's services under this Agreement, including by way of illustration but not limitation, federal and state income tax, Social Security tax, unemployment insurance taxes, and any other taxes or business license fees as required. If any taxing authority should deem Contractor or Contractor employees an employee of the City or should otherwise claim the City is liable for the payment of taxes that are Contractor's responsibility under this Agreement, Contractor will

indemnify the City for any tax liability, interest, and penalties imposed upon the City. The City is exempt from paying state and local sales/use taxes and certain federal excise taxes and will furnish an exemption certificate upon request.

19. In addition to all other contract requirements as provided by law, the Contractor executing this Agreement agrees to comply with public records law.
20. Contractor must preserve the records related to this Agreement for five (5) years after completion of the Agreement. The City or its authorized agent reserves the right to inspect any records related to the performance of work specified herein. In addition, the City may inspect any and all payroll, billing or other relevant records kept by Contractor in relation to the Agreement. Contractor will permit such inspections and audits during normal business hours and upon reasonable notice by the City. The audit of records may occur at Contractor's place of business or at City offices, as determined by the City.
21. A party will be in default if that party: (i) is or becomes insolvent or is a party to any voluntary bankruptcy or receivership proceeding, makes an assignment for a creditor, or there is any similar action that affects Contractor's capability to perform under the Agreement; (ii) is the subject of a petition for involuntary bankruptcy not removed within sixty (60) calendar days; (iii) conducts business in an unethical manner or in an illegal manner; or (iv) fails to carry out any term, promise, or condition of the Agreement. Contractor will be in default of this Agreement if Contractor is debarred or suspended in accordance with the Clearwater Code of Ordinances Section 2.565 or if Contractor is debarred or suspended by another governmental entity. In the event a party is in default then the other party may, at its option and at any time, provide written notice to the defaulting party of the default. The defaulting party will have thirty (30) days from receipt of the notice to cure the default; the thirty (30) day cure period may be extended by mutual agreement of the parties, but no cure period may exceed ninety (90) days. A default notice will be deemed to be sufficient if it is reasonably calculated to provide notice of the nature and extent of such default. Failure of the non-defaulting party to provide notice of the default does not waive any rights under the Agreement. Whenever the City in good faith has reason to question Contractor's intent or ability to perform, the City may demand that Contractor give a written assurance of its intent and ability to perform. In the event that the demand is made and no written assurance is given within five (5) calendar days, the City may treat this failure as an anticipatory repudiation of the Agreement.
22. The remedies set forth in this Agreement are not exclusive. Election of one remedy will not preclude the use of other remedies. In the event of default: (A) The non-defaulting party may terminate the Agreement, and the termination will be effective immediately or at such other date as specified by the terminating party; (B) The City may purchase

- the services required under the Agreement from the open market, complete required work itself, or have it completed at the expense of Contractor. If the cost of obtaining substitute services exceeds the contract price, the City may recover the reasonable excess cost by: (i) requiring immediate reimbursement to the City; (ii) deduction from an unpaid balance due to Contractor; (iii) collection against the proposal and/or performance security, if any; (iv) collection against liquidated damages (if applicable); or (v) a combination of the aforementioned remedies or other remedies as provided by law. Costs includes any and all, fees, and expenses incurred in obtaining substitute services and expended in obtaining reimbursement, including, but not limited to, administrative expenses, attorneys' fees, and costs; (C) The non-defaulting party will have all other rights granted under this Agreement and all rights at law or in equity that may be available to it; (D) Neither party will be liable for incidental, special, or consequential damages.
23. Contractor agrees that during any dispute between the parties, Contractor will continue to perform its obligations until the dispute is settled, instructed to cease performance by the City, enjoined or prohibited judicial action, or otherwise required or obligated to cease performance by other provisions in this Agreement.
24. Each party reserves the right to terminate this Agreement at its convenience, in part or in whole, upon thirty (30) calendar days' written notice.
25. The City is a governmental agency which relies upon the appropriation of funds by its governing body to satisfy its obligations. If the City reasonably determines, in its sole discretion, that it does not have funds to meet its obligations under this Agreement, the City will have the right to terminate the Agreement without penalty on the last day of the fiscal period for which funds were legally available. In the event of such termination, the City agrees to provide written notice of its intent to terminate thirty (30) calendar days prior to the stated termination date.
26. Upon termination of this Agreement, Contractor will be entitled only to payment for those services performed up to the date of termination, and any authorized expenses already incurred up to such date of termination. The City will make final payment within thirty (30) calendar days after the City has both completed its appraisal of the materials and services provided and received Contractor's properly prepared final invoice.
27. There will be no waiver of any provision of this Agreement unless approved in writing and signed by the waiving party. Failure or delay to exercise any rights or remedies provided herein or by law or in equity, or the acceptance of, or payment for, any services hereunder, will not release the other party of any of the warranties or other obligations of the Agreement and will not be deemed a waiver of any such rights or remedies.

28. To the fullest extent permitted by law, Contractor agrees to defend, indemnify, and hold the City, its officers, agents, and employees, harmless from and against any and all third party liabilities, demands, claims, suits, losses, damages, causes of action, fines or judgments, including reasonable costs, attorneys', witnesses', and expert witnesses' fees, and expenses incident thereto, relating to, arising out of, or resulting from: (i) the services provided by Contractor personnel under this Agreement; (ii) any negligent acts, errors, mistakes or omissions by Contractor or Contractor personnel; and (iii) Contractor or Contractor personnel's breach of this Agreement. Provided, however, that the maximum aggregate liability of Contractor with respect to its liability obligations under the Agreement shall not exceed the sum of five million dollars (\$5,000,000.00). Contractor will update the City during the course of the litigation to timely notify the City of any issues that may involve the independent negligence of the City that is not covered by this indemnification. The City assumes no liability for actions of Contractor and will not indemnify or hold Contractor or any third party harmless for claims based on this Agreement or use of Contractor-provided supplies or services. Nothing contained herein is intended to serve as a waiver by the City of its sovereign immunity, to extend the liability of the City beyond the limits set forth in Section 768.28, Florida Statutes, or be construed as consent by the City to be sued by third parties.
29. This Agreement is governed by the laws of the State of Florida. The exclusive venue selected for any proceeding or suit in law or equity arising from or incident to this Agreement will be Pinellas County, Florida.
30. If any provision of this Agreement is declared void or unenforceable, such provision will be severed from this Agreement, which will otherwise remain in full force and effect. The parties will negotiate diligently in good faith for such amendment(s) of this Agreement as may be necessary to achieve the original intent of this Agreement, notwithstanding such invalidity or unenforceability.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed the day and year first above written:

CHERRY BEKAERT, LLP

Lauren Strobe

Lauren Strobe
Engagement Partner

CITY OF CLEARWATER, FLORIDA

Bruce Rector
Mayor

Jennifer Poirrier
City Manager

Approved as to form:

Attest:

Owen Kohler
Lead Assistant City Attorney

Rosemarie Call
City Clerk