

AGREEMENT

THIS AGREEMENT, made and entered into this ____ day of August, 2020 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 Carr, Riggs & Ingram, LLC, a firm of Certified Public Accountants, located at 600 Cleveland Street, Suite 1000, Clearwater, Florida, 33755, hereinafter referred to as "Contractor";

WITNESSETH

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. Recitals. 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

36-20") issued May 1, 2020 (Exhibit "A"); Proposal to provide Professional Auditing Services to the City of Clearwater, Florida ("Proposal") submitted June 2, 2020 (Exhibit "B"); Engagement Letters from Contractor to City confirming understanding of the services to be provided under the Agreement ("Engagement Letters") (Exhibits "C" and "D"). 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. In the event of a conflict between terms of the Auditor Service Documents, the documents shall have the following order of precedence: The Agreement, Exhibit A, Exhibit B, Exhibit C and D.

3. This agreement relates specifically to the City's fiscal years ending September 30, 2020 thru 2024. This agreement may be terminated by the City on the basis of unsatisfactory performance, as determined by the City in its sole discretion, with written notice at least six months prior to the September 30 fiscal year-end, or by the contractor for reasons specified in the Engagement Letter which is hereby incorporated by reference and made a part hereof. 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 comprehensive annual 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, 2020 thru 2024. 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. In performing the services described in #2 above, the Contractor shall comply with the following:
 - ° Generally Accepted Auditing Standards (GAAS) as set forth by the American Institute of Certified Public Accountants

- ° *Government Auditing Standards* issued by the Comptroller General of the United States
- ° *Florida Single Audit Act*; Section 215.97 Florida Statutes
- ° Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)
- ° Chapter 11.45 Florida Statutes
- ° Chapter 10.550, Rules of the Auditor General
- ° State of Florida Department of Banking and Finance Regulations
- ° *Audits of State and Local Governmental Units* (Revised)-AICPA
- ° Any other applicable federal, state, and local laws, regulations or professional guidance not specifically listed above as well as any additional requirements which may be adopted by these organizations in the future

As a part of the audit, the Contractor will consider the City's internal control structure, as required by generally accepted auditing standards and *Government Auditing Standards*.

6. 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 February 28th 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 February 28th 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 CAFR.
- ° 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.

- Complete the appropriate section of and sign the Data Collection Form.
7. 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: "Carr, Riggs & Ingram, LLC 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. Carr, Riggs & Ingram, LLC also has not performed any procedures relating to this official statement."
8. The Contractor shall retain all working papers for a minimum of five (5) years, unless notified in writing by the City of the need to extend the retention period. The Contractor shall make working papers available, upon request, to the following parties or their designees:
- City of Clearwater
 - U.S. Department of Housing and Urban Development
 - U.S. General Accounting Office (GAO)
 - Parties designated by the federal or state governments or by the City of Clearwater as part of an audit quality review process
 - Auditors of entities of which the City of Clearwater is subrecipient of grant funds

In addition, the Contractor shall, provided all fees have been paid, respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

9. The Contractor shall assist the City in scheduling the Comprehensive Annual 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 contract. Weekly status meetings shall be held while the Contractor is working at the City. The Contractor shall complete performance under this contract by March 31st succeeding each fiscal year.
10. The Contractor shall bill the City and the City shall pay the Contractor for the performance of the services under this contract 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 his general practice. The total amount of this contract, including out-of-pocket expenses, shall not exceed:

Fiscal 2020	\$128,000
Fiscal 2021	\$128,000
Fiscal 2022	\$130,000
Fiscal 2023	\$130,000
Fiscal 2024	\$131,000

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 (80%) of the maximum specified above. The final payment will be made within thirty (30) days of receipt of the final audit reports.

Miscellaneous Provisions

11. Budget Allocations.

The obligations of the parties are subject to appropriate budgeted funds being available in each budget year to achieve the purposes of this Agreement. In the event that sufficient budgeted funds are not available in a subsequent fiscal year, this Agreement shall terminate on the last day of the fiscal year for which sufficient budgeted funds are available without penalty to either of the parties.

12. Record Retention.

Documents related to this agreement may be construed as public record and shall be retained and provided as required by law, regulation or professional standard.

13. Compliance with the Law.

Both Parties shall comply with all federal, state, county, and local laws, regulations, and ordinances at all times.

14. Discrimination Prohibited.

The Parties shall, during the performance of this agreement, comply with all applicable provisions of federal, state and local laws and regulations pertaining to prohibited discrimination.

15. Assignment.

This agreement is not assignable.

16. Severability.

Should any section or part of any section of this Agreement be rendered void, invalid, or unenforceable by any court of law, for any reason, such a determination shall not render void, invalid, or unenforceable of any other section or any part of any section of this Agreement.

17. Amendments.

This Agreement constitutes the entire Agreement between the Parties, and no change will be valid unless made by supplemental written agreement executed by both Parties.

18. 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

David Alvarez, Partner
Carr, Riggs & Ingram, LLC
600 Cleveland Street, Suite 1000
Clearwater, FL 33756

19. Non-Waiver.

No act of omission or commission of either Party, including without limitation, any failure to exercise any right, remedy, or recourse, shall be deemed to be a waiver, release, or modification of the same. Such a waiver, release, or modification is to be effected only through a written modification to this Agreement.

20. Authority.

Each Party to this Agreement represents and warrants to the other Party that (i) it is duly organized, qualified and existing entities under the laws of the State of Florida, and (ii) all appropriate authority exists so as to duly authorize the persons executing this Agreement to so execute the same and fully bind the Party on whose behalf they are executing. This Agreement is subject to approval by the Parties.

21. Governing Law.

This Agreement shall be construed and enforced in accordance with Florida Law.

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

Countersigned:

CITY OF CLEARWATER, FLORIDA

Frank V. Hibbard
Mayor

By: _____
William B. Horne II
City Manager


Approved as to form:

Attest:

Pamela K. Akin
City Attorney

Rosemarie Call
City Clerk

Carr, Riggs & Ingram LLC

By: 

David Alvarez
Engagement Partner